



**Stakeholder loyalty: an exploration of the dynamics of effective  
organisational communication**

**By**

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## DECLARATION

I, **ANTHONY OTOMI MONYE**, declare that the contents of this thesis, “ **Stakeholder loyalty: an exploration of the dynamics of effective organisational communication**” represent my own work, and that the thesis has not previously been submitted for academic examination towards any qualification. Furthermore, it represents my own opinions and not necessarily those of the Cape Peninsula University of Technology.

**September 2013**

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**Signed**

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**Date**

## ABSTRACT

The perception that an organisation wants its stakeholders to have is its desired identity. Its actual identity is what the stakeholders actually know or think about the organisation (Walker, 2010: 366). Stakeholder loyalty is an invaluable and positive consequence of any organisation's effective communication. An organisation's management should be proactive in the face of any negativity (finding its way into businesses and in the fragile and sensitive circumstances of stakeholder relationships). There is a gap between organisations and their specific stakeholders as a cumulative result of misinformation or lack of information. Organisational communication, especially via the press, enhances sustainable stakeholder loyalty, which contributes to an organisation's advantages and economic essences.

The purpose of this study is to explore the dynamics of stakeholders' effective organisational communication via the press and media reports on Eskom, and to identify and isolate critical elements in this dynamic process. Although the study is primarily explorative and descriptive, public press reports will be analysed to contribute to the larger purpose of exploration and description. This research draws on the aims of corporate reputation to assist organisational insiders and external stakeholders to activate positive organisational behaviour with consideration of media interpretations in order to answer the problem statement.

The fact that Eskom is a government parastatal which was established to supply and regulate electricity with no other competitors does not imply that they do not have to work on a positive brand image, perception and stakeholder satisfaction. This is even more pertinent when it is argued that the taxpayer's money is used for much of the excessive spending that the senior employees ostensibly enjoy. Whether an organisation is small or big, its priority of relevance is not placed on competitive success, but on its image with all its stakeholders at all times. In considering stakeholders' perceptions, there are huge business expansion possibilities for corporate bodies and organisations whose business mission statements reflect stakeholders' satisfaction and retention.

This research applied content analysis, which exhibits both qualitative characteristics (*description of variables and categories*) and quantitative features (*numeric evaluation of data*) in the investigation, description, discussion and analysis of the collected data. The data comprised media reports on Eskom, as presented by the *Cape Times*, the *Mail and Guardian* and the *City Press* - three reputable South African newspapers. These reports were gathered within a period of one year: 1<sup>st</sup> July 2010 to 30<sup>th</sup> June 2011. A semi-structured interview was

used to substantiate Eskom's stakeholder values and concerns against the backdrop of the newspaper report claims. The outcome of this study points to the need for organisations to effectively communicate with stakeholders in and through the media on trends within the organisation, prevailing issues, management policies, change of prices and costs of goods and services.

This collectively re-defines and strategically re-positions the mutual relationship of organisations and their key stakeholders by drawing strong links between the literature survey and the provisions of appropriate findings and recommendation imperatives for corporate communication specialists. This research could be useful to academics and practitioners, as it highlights the importance of effective organisational communication as a precursor to stakeholder loyalty.

The findings of the study revealed that while Eskom, as an organisation, was making huge profits and sharing surplus bonuses, they remain insensitive to the complaints of their stakeholders. Effective organisational communication was discounted and compromised, as the stakeholders were deprived of proper information that could stimulate and sustain their loyalty towards the organisation.

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## DEDICATION

To my wife

**HELYN**

Your sacrifice, ideas and love are priceless.

For being by me all the way.

Also, to our affable daughter and pearl,

**ODAZEH GALILEE,**

who was born just four days before my research proposal defence.



## GLOSSARY

**Advertising:** The planned messages that organisations create and disseminate to the public in support of their marketing intent (Arens *et al.*, 2011: 24).

**Brand:** Everything that an organisation does and what it produces and owns. It is a clear projection of an organisation's ideas (Olins, 2008: 28). It is also all that an organisation is about and what it believes in.

**Case study:** A research approach that attempts a comprehensive understanding of how research participants interact with each other in a specific situation, which creates meaning of a development that is researched (Maree, 2008: 76).

**Content analysis:** The deep examination of a selection of articles and content in certain newspapers, magazines, interviews, posters, television or other media, according to specific categories and groupings that will provide more insight to a research problem (Pepler, 2011: 2).

**Corporate communication:** Activities which are involved in the translation of an organisation's identity into an image from within the ambit of the organisation for its stakeholders (Skinner *et al.*, 2010: 388). It also involves calculated steps towards information dissemination.

**CPUT:** An acronym for the Cape Peninsula University of Technology, South Africa.

**Eskom:** The South African government corporation that generates, distributes and manages electricity. It still has its original name, **Electricity Supply Commission** (ESCOM) since inception in South Africa in 1923. It was converted to a public limited liability company, which has been wholly owned by the government since July 2002 (Eskom's annual report year ending 2011).

**Hypothesis:** The fundamental proposition or theory of a study or research. It is the premise upon which research questions are formulated for a concise study, which draws analysis of identified methods that would arrive at findings, interpretations and proffer recommendations (Vanderstoep & Johnston, 2009: 311).

**IABC:** International Association of Business Communicators based in San Francisco with overseas chapters in many countries, of which South Africa is included. It holds accreditation examinations and awards and publishes *Communication World* monthly (IABC, 2010).

**Loyalty:** Description of a faithful attitude, inclination, fidelity and enthusiastic devotion to an organisation, individual, a cause or a country. It is used in this study to describe stakeholders' willingness of patronage in the continued acquisition of an organisation's services or goods over a long term, and preferably on an exclusive basis while voluntarily recommending the products to other people (Lovelock, 2001: 151).

**Marketing:** The process of creating, refining and promoting products and services and distributing them to target consumers (Guth & Marsh, 2007: 10, 432).

**Media:** The vehicles through which stakeholders receive information and entertainment. It could be broadcast (television, radio) or print (newspapers, magazines, flyers, and so on). Some may include the Internet and smart phones (Guth & Marsh, 2007:10).

**Organisation:** A collection of individuals who, through division of labour and a hierarchy of ranks, seeks to achieve a predetermined business aspiration (Tubbs, 2000: 416).

**Organisational identity:** An inherent accomplishment that depends on time, place and circumstances and forms part of organisation's life (Clegg *et al.*, 2007: 311).

**PRISA:** Public Relations Institute of South Africa which is the body that represents the interests of public relations practitioners throughout southern Africa (Skinner *et al.* (2010: 4). It publishes *Communika* on a quarterly basis.

**Public opinion:** The collective expression of the interpretations of many individuals who are bound into a group by common aspirations, aims, interests, needs, beliefs and ideals (Cameron *et al.*, 2008: 173).

**Public Relations:** From the First World Forum of Public Relations held in Mexico in 1982, "The art and social science of analyzing trends, predicting their consequences, counselling organisation leaders, and implementing planned programmes of action, which will serve both the organisation's and the public interest" (Heath, 2001: 192).

**Qualitative research method:** A research methodology that establishes how participants make meaning of a specific phenomenon by analysing their understanding, knowledge,

values, perceptions, attitudes, feelings and experiences in an attempt to approximate their construction of phenomenon (Nieuwenhuis *et al.*, 2007: 99).

**Quantitative research method:** A research method that uses statistics and replication to validate generalization from survey samples and experiments and counts occurrences across a large population (Vanderstoep & Johnston, 2009: 7).

**Reputation:** The overall esteem in which stakeholders hold an organisation (L'Etang, 2008: 392).

**Semi-structured interview:** A limited interview design that is used for the main purpose of substantiating emerging data from other sources (Maree, 2007: 87).

**Stakeholder:** A word derived in the past from the physical act of miners staking a claim where each boundary of their territory was marked by hammering a stake into the ground. It is an individual who has something that is risked (for gain or loss) in any organisation's activity or business (L'Etang, 2008: 104).

**Stakeholder perception:** An interpretation of the actions of organisations and the plausible knowledge that stakeholders hold about them (Erickson *et al.*, 2011: 220).

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## **CHAPTER ONE**

### **INTRODUCTION AND BACKGROUND TO THE STUDY**

#### **1.1 INTRODUCTION**

Men and women do not live in isolation: they are (relatively human beings) only through others. Organisational communication makes this axiom even truer in its context. In reviewing some of the organisations that we are part of - playground, kindergarten, school, college, university, youth group, scouts, religious groups and sports clubs - we are all constituents of one organisation or another with diverse experiences of organisational cultures (L'Etang, 2008: 187). The business world is interactive. No party or group of parties exist in isolation. Hence, it logically follows that stronger links and relationships should be developed in the area of organisational communication with stakeholders.

L'Etang (2008: 104) presents the analysis of PR author, Harrison, in defining the term 'stakeholders' by stating that it originated from the physical act of miners staking a claim. In the past miners marked each boundary of their territory by hammering a stake into the ground. The term is commonly used to describe individuals and organisations that have a stake in an organisation or business. As a result of organisational activity, they have something at risk and, therefore, also something to gain or lose.

Organisational communication is the academic field that seeks to understand and communicate the concerns about human conduct in organisational settings: how to improve climates for service and innovation; understand and explain patterns and divergences in attitudes, perceptions and values (Pettigrew, 2000: 13). From Pettigrew's viewpoint, organisational communication includes making sense of language and symbols; how to balance continuity and change; how to intervene in organisations to deliver cultural change, manage mergers and acquisitions, and influence career development.

Organisations are established out of the natural necessity of wants and needs. These organisations, therefore, are in a capacity to 'serve' their stakeholders. It is essential, however, that stakeholders are informed or communicated to regarding the decisions, policies, brand management and every necessary component of the organisation that adds

to the corporate structure and future of it. Communication is an effective means through which stakeholder loyalty can be stimulated, maintained and sustained.

For an organisation to live up to its reputation and corporate character by means of effective communication with its stakeholders, its image and corporate identity must be maintained. It is worthy to note, however, that general beliefs may be influenced by public expression of opinions, which implies information-sharing and networks of communication, such as rumour or the 'grapevine' – the popular metaphor to explain the intertwined connections of social organisational discourse.

As Surma explains in L'Etang (2008: 49), an organisation's reputation depends on the perceptions others have of it (the term reputation comes from the Latin *reputare* – to think). More crucially, for an organisation to be defined by its reputation, it is according to its capacity to act ethically and responsibly in all its interactions and practices (actual definition according to an individual or group's judgement of its trustworthiness and integrity). In other words, reputation is formed outside of the organisation on the basis of subjective impressions. Harm should be minimized by organisations while efforts should be harnessed towards the distribution of benefits and burdens fairly among stakeholders. Consequently, they should address existing conflicts through open communication, proper reporting and incentive systems and third party reviews (Clarkson Centre for Business Ethics, 1994: 4). In essence, this is a clear indication of the corporate recognition of stakeholders.

## 1.2 CLARIFICATION OF BASIC TERMS AND CONCEPTS

The same words or acronyms may have different connotations to people, especially in various disciplines. The clarification of basic terms and concepts used in this study seeks to explain concepts that are used in the field:

- **Corporate communication:** Translation of an organisation's identity into an image. The protection of its image and identity is the exclusive aim of the organisation (Skinner, *et al.*, 2010: 388).
- **CPUT:** Cape Peninsula University of Technology.
- **IABC:** International Association of Business Communicators. Based in San Francisco with overseas chapters in many countries, and South Africa is included. It

holds accreditation examinations and awards and publishes *Communication World* monthly.

- **Managing reputation:** It borders around building and sustaining a credible name for an organisation or company. It is how organisations compete for esteem and achieve celebrity status (L'Etang, 2008: 392). Within a global perspective it becomes the scientific application of policies and skills that have the possibility of corporate image growth and sustainability.
- **PRISA:** Public Relations Institute of South Africa is the body which represents the interests of public relations practitioners throughout southern Africa. It publishes *Communica* on a quarterly basis.
- **Public Relations:** The International Public Relations Association (IPRA) states that public relations practice is the “art and social science of analyzing trends, predicting their consequences, counselling the leaders of organisations and implementing planned programmes of action, which will serve both the organisation’s and the public interest” (Heath, 2001: 192). The definition adopted by the Public Relations Institute of Southern Africa (PRISA) states that “public relations is the management, through communication, of perceptions and strategic relationships between an organisation and its internal and external stakeholders”.
- **Stakeholders:** Those that possess adequate capacity and power to affect performance with critical resources for the accomplishment of an enterprise or organisation. Stakeholders are also those individuals that have controlled or voluntarily contributed to an organisation’s or a corporation’s wealth-creating capacity and activities. Therefore, they are both the beneficiaries and risk-bearers of any organisation (Hatch & Schultz, 2008: 231).

### 1.3 STATEMENT OF THE RESEARCH PROBLEM

Ultimately, when an organisation’s communication is successful, it is usually associated with the organisation’s identity and image (Hatch & Schultz, 2008: 47). The essence and knowledge of organisations require awareness of how stakeholders perceive them. This is largely due to the interaction with stakeholders’ thoughts of the organisation’s external communication materials or messages.

Hatch and Schultz (2008: 47 - 48) explain that an organisation's identity cannot be changed suddenly through advertising campaigns and publicity. As an organisation, the primary step towards successful corporate communication is the knowledge of the organisation and the perceptions that its stakeholders have of it. An organisation must have the ability to timely react to its stakeholders' perceptions and its product or service deliveries in terms of whether it aspires to change the organisational culture behind its corporate brand, or to profit from the unique aspects of the organisation's identity. Organisations learn what stakeholders think about them by the usage and application of information, which is provided through market research and stakeholders' relations programmes. In learning the perceptions of stakeholders, organisations observe the media and conduct press clipping analyses and tracking of their public reputation through opinion surveys; as well as in numerous interactions with stakeholders through investors, public, government activities and community relations (Hatch & Schultz, 2008: 47-48).

The emergence of corporate communication as a concept and practice, signifies the efforts and symbolic sophistication of contemporary developed worlds' relations (Hatch & Schultz, 2008: 47-50). Those who specialize in corporate reputation aim to help the organisation's employees (internal stakeholders) and affected publics (external stakeholders) to make sense of organisational behaviour and media interpretations in order to answer the following research questions or problems:

- What is the essence of this organisation?
- What is the corporate purpose of this organisation?
- Why has the organisation not achieved its corporate objective?
- How has the organisation reached its stakeholders?

#### **1.4 BACKGROUND TO THE RESEARCH PROBLEM**

Vital to any organisation's success is an influential organisational communication campaign and policy (IABC: 2010). Stakeholders, in their mutual relationship with their service providers, expect highly rated organisational communication that is purposeful, ethical and of premium value. The organisation's messages and information should also be trustworthy and persuasive in order to capture the loyalty of its stakeholders. This also captures stakeholders' will and sense of choice. This study attempts to explain the different ways and approaches to establish commitment on the part of stakeholders, as well as a conscious mutual resolve to remain with a particular organisation whilst obtaining improved

services and usefulness through sufficient and functional messages to which they can react.

Hatch and Schultz (2008: 22) advance that most organisations rely on their corporate brands to perform the strategic function of positioning, that is discovering or creating differentiating aspects *vis-à-vis* competitors. However, initiatives are also designed to attract and appeal to stakeholders, giving the community reasons to be part of the organisation. Corporate communication or public relations represent the way that an organisation differs from its business competitors, but they also welcome stakeholders (investors, potential employees and customers) into the enterprise, which provides feelings of integration in the organisation. Effective communication is the stimulant of sustainable loyalty amongst these stakeholders.

This study outlines reasons for differentiation of communication options and the meaning of taking a symbolic approach in effective communication. Informing stakeholders about brand positions, products and services shows how changing the interaction between stakeholders and organisations can shift the boundary that separates insiders from outsiders, in this case by treating stakeholders with honesty and sincerity (on policies, decisions, issues and circumstances). If the continued presence of innovative and creative information can continue to improve stakeholders' loyalty, then they may be rewarded with continued improvement in overall ethical and overwhelming satisfaction, retention and increased profitability.

While the components and process certainly pose new challenges for the sustainable loyalty of stakeholders, new research suggests that there are reasons for stakeholders to feel threatened by the attitudes that manifest poor organisational communication (Hatch & Schultz, 2008: 22-24). The question is : how can an organisation explore the dynamics of effective organisational communication to achieve and maintain stakeholders' loyalty?

## **1.5 THEORETICAL FRAMEWORK AND DEPARTURE POINT FOR THE STUDY**

In order to benchmark and guide the primary research in this study, Grunig's (1992: 56) model for Public Relations is relevant, and is briefly touched upon again in Chapter 2. Grunig is one of the most experienced researchers and academics in the field of Public Relations and communication. He refers to his so-called four models of public relations. Ideally, any organisation should move to this last block of two-way communication (compare with other two-way models of transactional communication and feedback). This



should be ideally be “fed” and “initiated” by the powerful stakeholders in term of the press and media. However, this is often not the reality, as will be seen in the course of this study.

### Grunig's four models of Public Relations

Model Name	Type of Communication	Model Characteristics
Press agency/publicity model	One-way communication	Uses persuasion and manipulation to influence audience to behave as the organisation desires.
Public Information model	One-way communication	Uses press releases and other one-way communication techniques to distribute organisational information. A Public relations practitioner is often referred to as the "journalist in residence."
One-way asymmetrical model	One-way communication	Uses persuasion and manipulation to influence audience to behave as the organisation desires. Does not use research to find out how its public(s) feels about the organisation.
Two-way symmetrical model	Two-way communication	Uses communication to negotiate with publics, resolve conflict and promote mutual understanding and respect between the organisation and its public(s).

**Figure 1.1:** Grunig's model of public relations with emphasis on asymmetric and symmetric communication.

Adapted from his book, *Activism: How it limits the effectiveness of organizations and how excellent public relations departments respond*, 1992.

## **1.6 LITERATURE REVIEW**

Ultimately, the goal when conducting a literature survey is to uncover a set of published research reports that define the existing state of knowledge in an area, while recognizing a gap that an understanding of that research or study will attempt to fill (Gravetter & Forzano, 2009: 48). The literature review provides an overview of available knowledge and content and literary works pertaining to the study or topic.

For any valid research, study and proposal to gain credibility, it has to have a well-founded literature survey, which proves that the current research will not duplicate past and similar research. It also positions the research within the existing body of knowledge. The literature review in this research provides a rationale for the theoretical framework for the study.

In this study, the potential materials that were explored border on diverse publications and authors in the following potential areas of communication:

- The essence of an organisation
- Identity dynamics
- The organisational identity conversation
- Dysfunctional organisational identities
- Balancing organisational identity
- Stakeholders' perceptions of an organisation
- Stakeholders and how organisations know them
- Public relations and communication
- Communication settings
- Components of the communication process and
- Stakeholders' market attitude and stakeholder loyalty (stimulants)

## **1.7 RESEARCH HYPOTHESES**

Among other theories of public relations, Grunig (2006: 18, 151–176) propounds the Excellence Theory. In his opinion, this theory deals with an organisation's social responsibility concerns in its managerial decisions and the quality of relationships with stakeholders and publics. The theory further explains that the effectiveness of organisations is dependent on their corporate attitude in proffering solutions that satisfy stakeholders' goals. Any negative impact, which results from the organisation's policy, will attract opposition that is consequentially risky and costly.

The research hypotheses comprise the fundamental proposition or theory of the study. It is the basis upon which research questions are formulated for a concise study, which will draw analysis of identified methods that will arrive at findings, interpretations and proffer recommendations. This study, therefore, is in line with the advocacy of excellence theory. For effective organisational communication to be dynamic (in recommendations), organisational policies should streamline their actions with the desires of the stakeholders whose interest should be a priority. A stakeholder feedback department should be established. Strategies should be devised to strengthen stakeholders' concerns in organisations, where this department already exists.

Every organisation should have stakeholders' interests and concerns at the heart of its activities, policies formulations and managerial decisions in order to stimulate and foster their loyalty. (Through constant communication with stakeholders, trust is built and loyalty is enhanced).

This research hypotheses lead to the primary and secondary research questions of this research study.

### **1.7.1 PRIMARY RESEARCH QUESTION**

A clearly articulated statement about a research topic and variables of interest in a study is the research question (Vanderstoep & Johnston, 2009: 311). In view of the foregoing, the following theoretical research question was formulated:

- How can loyalty between a service provider organisation such as Eskom, be established and maintained with stakeholders and what should this process and components involve, based on analysis of stakeholders' interests and concerns?

### **1.7.2 SECONDARY RESEARCH QUESTIONS**

- i. What does the literature state about stakeholder loyalty?
- ii. What is the success rate of communication between Eskom and its stakeholders as a case study of the research question? What do they do right or wrong? What can be improved between Eskom and its stakeholders?
- iii. How can the process and components of successful corporate communication and stakeholder loyalty be defined and conceptualized?

- iv. How can an organisation (Eskom) apply or activate the steps and elements in question 3?

## **1.8 OBJECTIVES OF THE RESEARCH**

Every organisation (private or public, service provider, goods manufacturer or distributor) tries to solve the same challenge: how to stand out and build a relationship of trust with its stakeholders. Whether it is a large multinational technology company or a small architectural or furniture practice, the power of effective communication is hugely important and cannot be underplayed. Effective communication that is adequately updated inspires trust, and trust builds loyalty. Every organisation or establishment has information about its services and products. Issues concerning the organisations, new trends in service delivery and obvious challenges in the accomplishments of brand promises to stakeholders and the general public need to be communicated to stakeholders.

Anonymity is the problem with business, and the first step is to accept it as a reality and to recognise the reasons for its existence (Bhargava, 2008: 16). Organisations should define their core values and mission and vision (brand identities) on its journey in business. The big challenge is that businesses today have become extremely good at hiding behind carefully scripted disclaimers and processes. However, the future of businesses is the real connection in building stakeholders.

The purpose of this study is to explore and describe the dynamics of the effective communicator–stakeholder communication of Eskom with its stakeholders and to identify and isolate the critical elements and components in this process. Although the study is explorative and descriptive, public press reports are analysed and evaluated to contribute to the larger purpose of exploration and description of stakeholder dynamics. Stakeholders should be informed about the things that happen in the organisation (Eskom), which they rely on for efficient service provisions, and on which they also spend their resources in the acquisition of such services.

## **1.9 RESEARCH DESIGN AND METHODOLOGY**

Research methodology enables researchers to plan and examine critically the logic of composition and protocols of research methods. In simple terms, it is the method that is

employed to solve a specific research problem (Vogt & Johnson, 2011:230). In the field of social research, it is a study that deals with the concept of organisational relation attitude towards its consequent stakeholders. There are choices of available methods in social research, the choice will depend on such aspects as the need to be subjective or objective, specific or general, explanatory or predictive.

The research design of this study is explained in detail in Chapter Three.

The research is qualitative in terms of interviewing specific Eskom employees before the content analysis research and thereafter to ask their input about how stakeholders perceive them in news reports and articles that form part of the content analysis sample. The content analysis is in parts quantitative and qualitative: qualitative because in doing this research, the research involved the personal choice and selection of the units and categories for analysis, and also set the criteria or “values” of measurement which translate into ‘themes’. It was also quantitative because these elements were counted.

Leedy and Omrod (2010: 137-144) list the paradigms or research designs and objectives:

- i. **Evaluating** research, fair judgment of the effectiveness of particular policies, practices, or innovations are undertaken. In this study semi-structured interviews were conducted with Eskom staff following the phase of the content analysis - a systematic and detailed theory test of the contents of a particular body of material for the purpose of identifying potential biases, patterns, and themes. Typically, it is an illustration of images, expressions and texts, which are formed to be seen, read, interpreted or analysed (Krippendorf, 2004: III). Content analysis is also performed on forms of human communication materials, including films, television, books, and newspapers (Leedy & Omrod, 2010: 137-144).
- ii. **Descriptive** research reveals the nature of the organisation’s situations, settings, processes, relationships, systems and people in this study.
- iii. **Interpretative** research involves interpretation as well, noting that new insights about a particular phenomenon could be activated while developing other new concepts or theoretical perspectives about a particular trend. In this study the interpretation was mainly approached and executed as a discussion platform to further underpin the vast content of newspaper reports towards a credible research conclusion and recommendation.

This research used semi-structured qualitative interviews with identified employees (to achieve triangulation) in the corporate communication unit of Eskom. This was done to determine how they think the media as a group of stakeholders form opinions through the communication of reports and articles on the organisation to other groups of stakeholders, namely clients and rate payers.

The **research data analysis** was carried out through content analysis of three newspapers (and included the following as reasons supplied):

- i. The *Mail & Guardian* - a weekly national newspaper (because of its investigative reporting)
- ii. The *City Press* - a Sunday newspaper (because it has the highest circulation rate of Sunday newspapers)
- iii. The *Cape Times* - a local Cape Town newspaper (because Eskom has its Head Office and electric turbine in Cape Town).

An Internet search was carried out to attempt to find all newspaper reports and articles in the above newspapers from 1 July 2010 to 30 June 2011. The motivation for this time range was influenced by Eskom's application of load shedding as an alternative means to solve electricity supply challenges. It was also because this period involved instability around the former CEO who was given a large 'reward' in the face of poor managerial performance, as reported in the news. One other factor that contributed to negative publicity during this time was the breakdown of one of the turbines in the Western Cape. According to newspaper reports, it only became apparent afterwards that human error was responsible for the problem.

By combining two different types of research designs (quantitative content analysis and qualitative interviews as well as using Eskom as a case study), triangulation was achieved, resulting in congruous validity. For the findings from one type of study to be checked against the findings that are derived from another type, triangulation is a process whereby several methods of research and data collection are used (Crowther & Lancaster, 2009: 240).

### **1.10 DELINEATION OF THE RESEARCH**

This research study aims to streamline effective communication adequacies from producers and distributions of goods and services to the eventual customers and

stakeholders who are at the bottom of the distribution chain. The study is, therefore, limited to a public corporation that deals with the public as its major (though not most important) stakeholder. This study does not aim to deal with any other elements of the corporate communication process such as branding, advertising and marketing, but primarily deals with public relations and stakeholder communication through the media.

### **1.11 SIGNIFICANCE OF THE STUDY**

The importance of this research is vital to the ever-growing and developing world of organisational communication. In the world of business and socio-economic relationships, effective corporate communication is critical in the dynamics of growth and development. Eskom as a public corporation (established out of civil necessity and legislation), can benefit as their communication dynamics with stakeholders would have clearer guidelines on how to optimally address these stakeholders if the guidelines are followed.

Eskom is a parastatal, which was established to supply and regulate electricity and has no competitors. However, this does not imply that the organisation would not have to work on a positive brand image, perceptions and stakeholder satisfaction. This is even more pertinent when it is argued that the taxpayer's money is used for much of the high salaries and luxuries that senior employees apparently enjoy, as reported in the selected newspapers. It is not quite relevant whether a brand is good and successful, small or big, as its aim should be to improve its image with its stakeholders at all times. In considering stakeholders' perceptions, there are huge business expansion possibilities for corporate bodies and organisations whose business mission statements reflect stakeholders' satisfaction and retention.

### **1.12 EXPECTED OUTCOMES, RESULTS AND CONTRIBUTIONS OF THE RESEARCH**

In the process of making profits in business, organisations sometimes become insensitive to stakeholders' interests. Since the literature survey highlights areas with practical solutions to organisational communication issues and challenges, this research should contribute to the body of knowledge in the areas of effective communication dynamics with stakeholders. This study also re-examines the position of organisations in their relationship with their stakeholders, particularly those of Eskom.

### **1.13 ETHICAL CONSIDERATIONS**

Ethics are principles, which govern or influence morally correct conduct. They deal with the issues of right and wrong (Oxford English Dictionary, 2004: 490). The content analysis on public reports and articles in the newspapers is not bound to any ethical concerns, as it is open and accessible to anyone either in the archives or on the Internet.

The interviews with Eskom employees were cleared with their Corporate Communications Department. The unit also issued written consent for the study and the interviews with the Regional Communication and Stakeholder Manager and another senior staff member of the communication department before and after the content analysis.

For the purpose of this research, respect was granted to all respondents' right to privacy, confidentiality, self-determination, anonymity, and fair treatment and protection from harm, and discomfort.

### **1.14 SUMMARY**

Organisations, companies and businesses are conventionally established for profits and corporate benefits. The production processes and the distribution of goods and services are substantially incomplete without the deliberate considerations of stakeholders' perceptions (Guth & Marsh, 2007: 10 - 11). This research intends to contribute to the body of available knowledge by submitting solutions to the challenges that are created by inadequate or inefficient organisational communication. As mentioned earlier, the fact that an organisation supplies products or services does not exempt it from trying to build a positive brand, and to conduct good relationships with its stakeholders. This is even more relevant with an organisation such as Eskom, which is expected to deliver good services, quality communication and an attitude of empathy and understanding with often disgruntled and disenchanting stakeholders. Eskom stakeholders pay their bills in order to obtain electricity because they have to, and not because they feel that Eskom is deserving thereof.

This research will equally serve as a resource to businesses and corporations, as well as business expansion dynamics towards the achievement of stakeholders' sustainable loyalty.



In Chapter Two that follows, the study presents a review of literature to elucidate various facets of organisational communication.

Chapter Three focuses on the research design and methodology. It defines and describes the entire research process, highlighting the paradigms of qualitative and quantitative designs and methodologies. Content analysis is also defined and explained in terms of the application, merits and demerits.

Chapter Four deals with the organisation of Eskom as a case study. Its history is brought to the fore, while its core mandate and values are highlighted. Eskom's development roles, its strategic reviews with business and response to stakeholders' matters are reviewed. The chapter further presents Eskom's stakeholders and its sustainability analysis with their performance index.

Chapter Five discusses the analysis of the collected data. The data includes reports from newspapers concerning Eskom from the 1<sup>st</sup> of July 2010 – the 30<sup>th</sup> of June 2011. The newspapers are the *City Press*, the *Mail & Guardian* and the *Cape Times*. The process of the analysis is also presented. The data are structured into constructs and frequencies of major words and descriptive phrases. They are further grouped into categories and themes for appropriate and definite analyses and discussion. From these, the findings and interpretations are determined.

Chapter Six, which is the final chapter of the study, takes a general overview of the chapters and further makes recommendations whilst proffering answers to the research questions that are posed in Chapter One. The strengths and limitations of the research are also presented. Finally, future research direction is suggested.

### **1.15 KEYWORDS**

- Brand
- Communication
- Corporation
- Corporate communication
- Eskom
- Explore

- Media
- Organisation and organisational communication
- Publics
- Reputation
- Research
- Stakeholders (internal and external)

## **CHAPTER TWO**

### **LITERATURE SURVEY**

#### **2.1 INTRODUCTION**

This chapter explores relevant literature and surveys the content of publications that relate to the organisational structure and essence of establishment. It also lays out what has been said about some organisations through the evaluation of critical models and frameworks and their significance in streamlining the thematic objectives of effective organisational communication.

The aim of conducting a literature search is to identify a gap in the knowledge phenomenon that a study will attempt to answer while also describing a set of published research reports that define the current state of knowledge in a specific field (Gravetter & Forzano, 2009: 48). Biggam (2008: 51-52) describes the characteristic of a 'good literature review' as possessing the ability of providing confirmation of in-depth critical evaluation. He advances that a good literature survey presents the works of others in an interesting, clear and progressive manner to build a logical and coherent picture of any study.

In line with these notions, the chapter highlights pertinent and emerging issues concerning organisational communication. It properly cites a variety of relevant sources, whilst being inspired by the definitions and history of communication.

#### **2.2 DEFINING COMMUNICATION**

It is not possible to not communicate – one does not (necessarily) need words, grammar or syntax (Littlejohn & Foss, 2008: 3). By using sounds and gestures, human beings communicate nonverbally. People point and smile, and nod at other people. Similar to any other subject that has existed for a long time, communication changes in meeting the circumstances of the time in which it is used or studied. Littlejohn and Foss (2008: 3 - 4) also state that the fact that the verb 'to communicate' is well established in the common dictionary and, therefore, is not easily captured in scientific use, is a continuing challenge in defining communication for scholarly or scientific purposes. Undeniably, it is one of the most overworked terms in the English language. Establishing a single definition by scholars who have made many attempts to explain *communication* has proved impossible and may not be fruitful.

The process of information exchange between individuals through a common system of symbols, signs, or behaviour is communication (Brounstein *et al.*, 2007: 24). At various times and places we encounter terms such as 'information', 'message', 'meaning', 'coding', 'mental representations' and 'thoughts'. Even in contrasting theoretical perspectives, there seems to be an underlying model of communication as ultimately cognitive, prototypically formulated in spoken or written words. Communication also underpins the subtle cadences of the heard voice, the emotive overtones of touch, or the visual perception of material art or bodily gestures. Thus, communication is not merely words (Finnegan, 2002: 12).

Communication culturally requires a transfer of information in words or actions from one source to a respondent or listener. Theaker (2008: 18) argues that finding someone else is all that is required to communicate. Communication that involves two or more persons is commonly referred to as interpersonal communication. There is also 'intrapersonal communication' which deals with a communication process happening within oneself only. Communication is sometimes involuntary and organisations communicate intentionally or unintentionally. Therefore, information flow through society must be open, accessible reliable and trustworthy (Guth & Marsh, 2007: 7).

For decades it has been thought that the speech function was unique to humans. Communication has been largely defined as the sharing of experience. It is the process of creating a meaningful interaction between two or more people (Tubbs, 2000: 4 & 8). For the purpose of creating meaning, communication equally requires the process of message management (Frey *et al.*, 2000: 17). A wide range of terms have been used by academics to define communication such as process, transmission, symbols, speech, intention, meaning and channel (Littlejohn & Foss, 2005: 4 - 7). Competence in communication presupposes highly qualitative communication, which is both appropriate and effective for a particular situation. Communication is appropriate when it means acting in ways that are suitable to the norms and expectations of contexts and situations that are encountered.

Effectiveness of communication describes the extent to which communication accomplishes valued results, particularly in our interaction with specific stakeholders. However, this does not necessarily mean that effective communication always fosters satisfaction (Morreale *et al.*, 2007: 4 & 30). A communicator is said to be efficient and effective if the receiver has an accurate understanding of the message (Tubbs, 2000: 21 - 26). Therefore, communication is successful to the degree that the message, as it is intended by the sender, corresponds with the message as it is perceived and responded to

by the receiver. One of the receivers of these 'perceived messages' are the stakeholders who have vested interest(s) in the organisation and whose lives can be affected by the decisions and policies of such an organisation or establishment (L'Etang, 2008: 104 - 105). Theaker (2008: 18) equally advances possible outcomes of effective human communication as understanding, pleasure, attitude, influence, improved relationships and action. Communication may appear simple until we begin to examine it. Essentially, the definition of communication adds to the conclusion that it is the transmission of a message or messages from one person or group to another (or others). These messages could also be in the form of information, ideas, attitudes or emotions.

Therefore, it would be appropriate to say that communication is any process in which people share information, feelings and ideas. It involves not only the spoken and written word, but also body language, style and personal mannerisms – anything that adds meaning and understanding to a message. To live is to communicate (Hybels & Weaver, 2004: 7). Information and communication are only synthesised when meanings can be understood in the context of social relationships (Castells, 2009: 54). Communication is only effective when it has achieved its aim of appropriate understanding and subsequent feedback.

### **2.2.1 BRIEF HISTORY OF COMMUNICATION**

The word 'communication' originates from Latin; *communicare*, which means 'to share together, or literally 'to make common' (Hybels & Weaver II, 2004: 4). However, within the past decades, evidence has been found that indicates that the first creatures to use words were the *Neanderthals* or *homo sapiens*, dating back 60,000 years. Hybels and Weaver II (2004: 4 – 5) further state that *rhetoric* was the earliest term for the subject, which we now call *communication*, but that was limited mostly to the art of speech-giving.

Aristotle believed that communication consisted of three elements;

- *Pathos* – the trait, feelings and thoughts of the receiver or audience;
- *Ethos* – the nature or qualities of the communicator; and
- *Logos* – the characteristics, structure and content of the message (Shay, 1995: 1).

Lasswell, according to Theaker (2008: 21), created a formula to describe the communication process of who says what, to whom, with what and of what effect. He further describes the basic communication model, which includes a source or sender who

selects information (*encodes*) to generate a message that is transmitted by a channel to a receiver who selects a meaning from the message (*decodes*) and responds with action or no action (feedback).

The communication challenge for organisations begins with understanding the needs of stakeholders whose interest is the driving factor to communicate. Green (2006: 33) challenges the popular axiom of 'treat others as you would like to be treated.' In his argument he advocates a stronger and more relevant communication essential which states 'treat people as they would like to be treated.' The emphasis, therefore, becomes the communication needs and expectations of stakeholders.

### **2.3 LEVELS AND SETTINGS OF COMMUNICATION**

Theaker (2008: 19) identifies Berger's four levels of communication:

- i. *Intrapersonal* (thoughts)
- ii. *Interpersonal* (conversational) - two or more persons
- iii. *Small group communication* (like a lecture)
- iv. *Mass communication*.

Theaker indicates that 'talking to oneself' uses the neurological / chemical machine of the brain as the channel of communication; talking to others uses the airways to carry the verbal message, as well as non-verbal communication such as body language, facial expressions, and so on. Mass communication uses print, broadcast or phone wires to convey messages to a wide range of geographically dispersed people. Skinner *et al.*, (2010: 73 - 74) assert that without adequately exploring the aims of communication, the meaning of communication would be discounted. Communication settings are referred to as communication in different contexts. This includes, among others, public communication and organisational communication.

Public communication occurs within a more formal and structured arrangement in contrast to two-person or small group communication. Organisational communication is concerned with the flow of messages and information within a framework of interdependent relationships, which take place vertically and horizontally within an organisation. This binds the organisational structure together by providing a platform to co-ordinate the relationships between individuals whilst achieving the organisation's primary objectives. Mass communication is executed through mass media such as newspapers, magazines, film, television and radio. Ideally, a large number of people are involved in the production of

messages and information. There is little opportunity for direct feedback, but delayed responses may occur owing to the way that it is produced.

Another category of human communication that is relevant in an organisation is cross-cultural communication, which is defined as communication between and amongst members of different cultural, ethnic, socio-economic and/or racial groups. All the identified communication contexts involve the public relations practitioner and the awareness of opportunities that are afforded by them. The communicator could advise the chief executive officers on public relations policies in a two-person context, explain a department's strategy to colleagues in a small-group context, be responsible for healthy internal communication in an organisational context, or arrange a radio interview for the chief executive officer in a mass communication context.

## **2.4 ELEMENTS / COMPONENTS OF THE COMMUNICATION PROCESS**

Communication has various objectives (Copley, 2004: 5). The components of the communication process may differ significantly depending on the particular model. Basically, the communication process is three-fold: a communicator, a message and a receiver.

### **2.4.1 CORE CONCEPTS OF COMMUNICATION**

Theaker (2008: 19) states that the core concepts of communication are source, intent, message, channels, noise and meaning. Others are receiver and feedback.

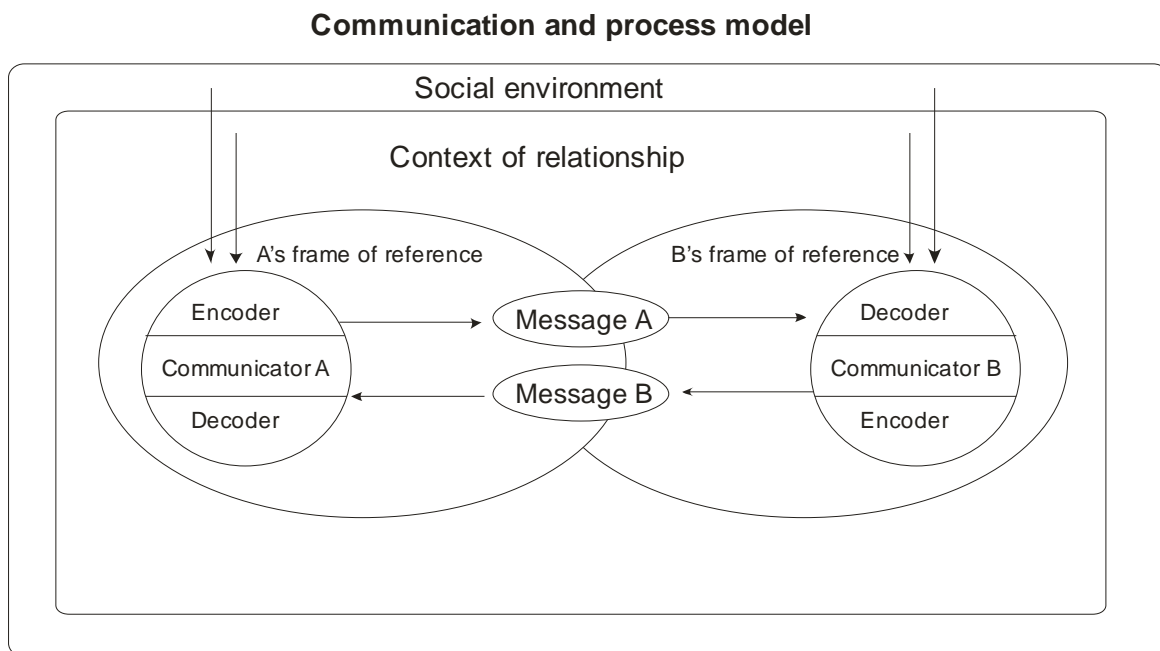
### **2.4.2 COMMUNICATION SOURCE**

The source is the first point of the co-orientation model from which communication emanates. What could make or mar an effective communication is how a source views its audience – and also viewed by the same audience - its stakeholders. The credibility of the source can be influenced by a variety of factors, including communication ability, reputation and context. If the source is not seen as credible, no communication takes place. Like an electric circuit, all the models of communication share some common elements - if a short break occurs anywhere along the wire, electricity is not supplied – if one area of the communication process breaks down, there is no effective communication (Guth & Marsh, 2007: 141-142).

### 2.4.3 COMMUNICATION FEEDBACK

Feedback is the difference between one-way communication, where the sender has no knowledge – or possibly interest – in the receiver’s response, and two-way communication, where the receiver can comment or even alter events by taking action on a message. Communication cannot be said to happen except when there is a response from the receiver (Theaker, 2008: 19 - 20). The receiver’s reaction is the feedback; interpreted by the source of the message or sender. Effective communication does not occur until this final step has happened. Feedback creates a possibility to interpret the message and determine whether the message was successful. *See Figure 2.1.*

This is of huge significance in the context of this study: did Eskom’s stakeholders receive the organisation’s communication in respect of various information needs at various times? If they did, was it understood?



**Figure 2.1: Visual representation of components of the communication process**

(Adapted from Skinner *et al.*, 2010)

In the above visual representation of the communication process, the flow between the two points of communication (encoder and decoder) is placed in context. A message is sent to the receiver and it is decoded (synthesised and interpreted), and thus feedback can occur (message 'B').



In the exploration of communication as an object of a message tool, there are other segments that are equally vital. These are mediated and unmediated communication.

## **2.5 MEDIATED COMMUNICATION**

This is the means through which communication is transmitted, whether in person, by language or gesture, or through another medium such as print or broadcast (Theaker, 2008: 25). Mediated communication adds a communication channel. This could still be one-to-one such as a telephone conversation. Conversely, it should be one-to-many such as radio broadcast. The development of user-generated websites such as YouTube illustrates how groups can talk to groups through the medium of the World Wide Web.

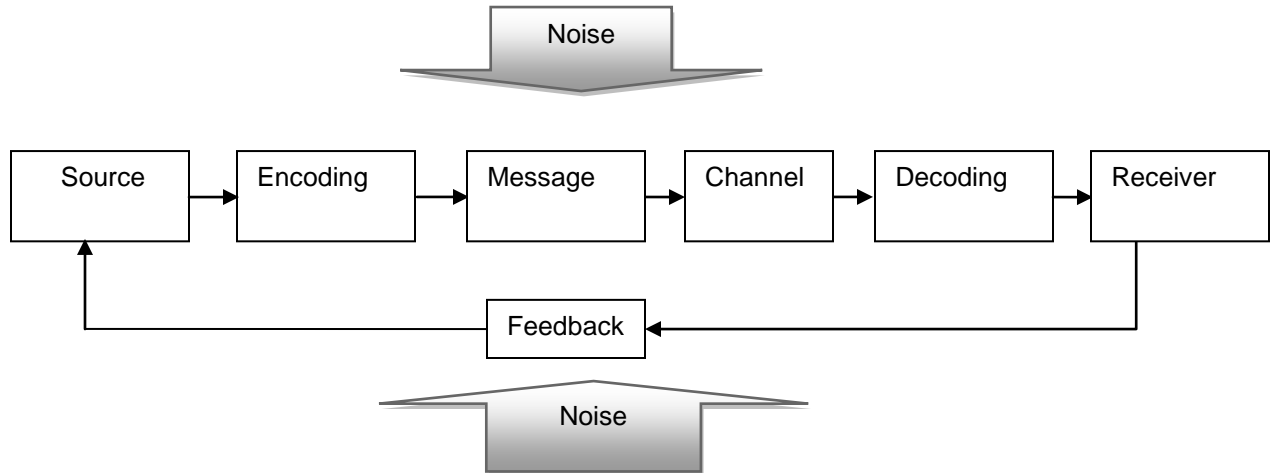
Theaker (2008: 25 – 26) postulates that most public relations communication is mediated, though it is worth remembering that public relations also uses direct media such as exhibitions, leaflets or corporate videos, where the content is wholly controlled by the sender or source. Interested parties equally use chat rooms and newsgroups in direct communication. To reach particular audiences through mass media involves having messages that are selected for inclusion by journalists according to formal or informal ideas of what they think the reader or viewer wants and, which is sometimes called 'news values.'

The journalist, as a stakeholder and 'medium,' takes on a 'gatekeeper' role, deciding what does and does not get forwarded to the medium's users. Without going through this 'gate,' advertisers can reach the same audiences, but they lose credibility or third-party endorsement in the process. The social and cultural context of communication is so huge, whether personal or mediated that, every act of communication is affected by and contributes to large social forms and patterns (Littlejohn & Foss, 2008: 315).

### **2.5.1 UNMEDIATED COMMUNICATION**

This refers to any two-way contact that does not pass through a channel or medium. This can be referred to as one-on-one (a conversation), one-to-many (a speech), or even many-to-one (a protest). Above all, any direct communication between individuals contains a number of variables such as voice, body language, proximity and facial expression.

## Communication Model



**Figure 2.2:** A graphic representation of a communication model to understand the components and dynamics of the communication process (Guth & Marsh, 2007: 467)

In the above communication model the process of communication is simplified. The message generates from a 'source' (encoded) and goes through a channel. The message is decoded as it gets to the receiver. The message in turn goes back after decoding (interpretation) to the source again in the form of feedback.

## 2.6 ADVERTISING IN COMMUNICATION

Advertising could be said to be the use of controlled media in an attempt to influence the actions and choice of targeted audiences or public (Guth & Marsh, 2007:10). According to Arens *et al* (2011: 10 - 11), McCann Worldwide claims that advertising is "truth well told." This means that ethical advertisers and the agencies that they employ should truthfully and creatively work as a team to discover and use the best methods possible to tell their stories. Arens *et al* (2011: 10-11) also state that to accomplish these objectives, they must understand (the advertising communication process, which is derived from the basic human communication process). In applying the model of communication (as seen in the model of communication) to advertising, it could be deduced that the sponsor is the source, the advertisement is the message, the channel is the medium, the consumer or prospect is the receiver, and the noise becomes the competing adverts and commercials.

Placement and content, which are time and place, as well as duration, are controlled by the buyer, namely the stakeholder. Newsom and Haynes (2008:3) portray that advertising is the most visible form or part of public relations practice, which generally reaches the public.

According to Steel (1998: 6), advertising is a means to an end that is usually desirable. Everything that an advertising agency does is geared towards understanding how to best influence people by influencing their minds to figure out what they think. Their opinions should be understood before they can be manipulated, and consumer research is meant to unlock the hidden truths that may define content and the nature of the message. Their motivations, insecurities, feelings, habits, desires and prejudices should be explored in order to understand both how the product fits into their lives and their collective responses to different advertising messages. Communication, therefore, becomes the final element of marketing strategy. Advertising is an integral part of marketing communication. It essentially makes marketing communications to characteristically refer to all the planned messages that organisations create and disseminate to support their marketing intent (Arens *et al.*, 2011: 24).

## **2.7 MARKETING IN COMMUNICATION**

Marketing is a process of creating, refining, reaching and promoting a product or service to specific consumers (Guth & Marsh, 2007: 10, 432). It is also a process of researching and promoting a product or service in order to target consumers. Marketing endorsement disciplines include sales promotions, personal selling, direct marketing, which are often aspects of advertising, and public relations. Bhagarva (2008: 4) opines that if a product has something to sell at a reasonable price, selling will usually take care of itself. Any product will be sold if answers are consistently provided with a marketing focus. All that should be done is to address the questions that customers ask regarding features, benefits, price and availability.

In his book '*personality not included*', Bhargava (2008: 4-6) makes reference to Reichheld, the author of *The Ultimate Question*, on the term 'bad profit', pointing to the challenges which focus only on making a profit in marketing. These are profits that are earned without interest or considerate treatment of the stakeholders or customers. Organisations should attend to their stakeholders' mutual appreciation by looking beyond these 'bad profits.' Bhargava (2008: 5) also opines that there is an essential need for organisations to do more than merely believe that marketing and sales are only for generating gains and profits. The treatment of concern stimulates stakeholder loyalty. It is for organisations that want to create an outstanding impression instead of remaining profit-focused.

## 2.8 PUBLIC RELATIONS AND COMMUNICATION

Newsom and Haynes (2008: 3) argue that each public relations practitioner probably has a slightly different definition of public relations, depending on his or her particular public relations experience. This experience is affected by economic, social, political and environmental factors. Public relations is defined as a management function that establishes and maintains mutual lines of communication, acceptance, cooperation and understanding between an organisation and its public. It is the management function that establishes and maintains (mutual) beneficial relationships between an organisation and the various publics on whom its success or failure depends. Public relations is also an aspect of corporate communication, which involves relations between an entity that seeks the attention of various stakeholders that have its interest (Das & Satpathy, 2010: 291).

Nevertheless, one accepted definition was adopted in 1982 in Mexico City during the First World Assembly of Public Relations Associations and the First World Forum of Public Relations, namely “public relations practice is the art and science of analyzing trends, predicting their consequences, counselling organisation leaders, and implementing planned programmes of action which will serve both the organisation’s and the public interest.” One area of agreement among public relations practitioners is the definition of the term public: any group of people who share common interests or values, especially values and interests that they might be willing to act upon (Guth & Marsh, 2007: 5). When a public is in a relationship with an organisation, the public is recognized as its stakeholders, which means that it has a stake in the organisation or in (any) issues which potentially involves the organisation (Guth & Marsh, 2007: 5-6).

A practitioner’s responsibilities extend beyond organisational objectives. Within society, practitioners and the people that they represent are expected to play a constructive role (Guth & Marsh, 2007: 7). It is, therefore, crucial that public relations is basically and essentially relationship management. Skinner *et al.* (2010: 4) reflect on the definition that was adopted by the Public Relations Institute of Southern Africa (PRISA), which states that ‘public relations is the management, through communication, of perceptions and strategic relationships between an organisation and its internal and external stakeholders’. Public relations involves the total communications of an organisation. It is, therefore, more extensive and comprehensive than advertising and marketing, or any other related field. Public relations seeks to cultivate and establish admirable positive relationships with an organisation’s publics and communities. Even if an organisation has no formal public

relations function, state Fulginiti and Bagin (2005: 2), it will have relationships with all sorts of publics: employees, stakeholders, customers and government agencies. Relationships are either developed on their own, or they are cultivated. If relationships develop on their own, without nurturing, they can take on a harmful, non-productive character.

This connects once again with the ideal theoretical framework as briefly explained by Grunig (1992: 56). He suggests that the only way in which quality two-way communication can be achieved would be to respond and consider stakeholders and audiences as respected groups deserving of respect. The organisation that is executing the task of public relations ideally should listen, react, respond, and adjust – the two-way communication model and dynamic in the full sense.

Ideally, any organisation should move to this last block of two-way communication (compare with other two-way models of transactional communication and feedback). This should be ideally be “fed” and “initiated” by the stakeholders in term of the press and media. However, this is often not the reality, as will be seen in the course of this study

Public relations involves two-way communication. Organisational communication is not merely about telling people about an organisation’s needs, as it also involves listening to those same people articulate their concerns. This willingness to listen is an essential part of relationship building. Communication is a two-way phenomenon (Fulginiti & Bagin, 2005: 3). This is what Hunt and Grunig (in Guth and Marsh, 2007: 5) refer to as ‘the two-way symmetrical model’; where there is a focus on it as a means of conflict resolution and for the promotion of mutual understanding between an organisation and its key publics. The two-way, symmetric model seeks satisfaction for both the organisation and its stakeholders. The organisation negotiates with stakeholders to discover mutually beneficial policies or actions. Organisations and the public reach consensus about the organisation’s identity. Actions that are taken on behalf of an organisation must be carefully planned and be consistent with the organisation’s goals and values. Since the relationship between an organisation and the public (stakeholders) is important for its success, these actions must also be consistent with the public’s values and goals.

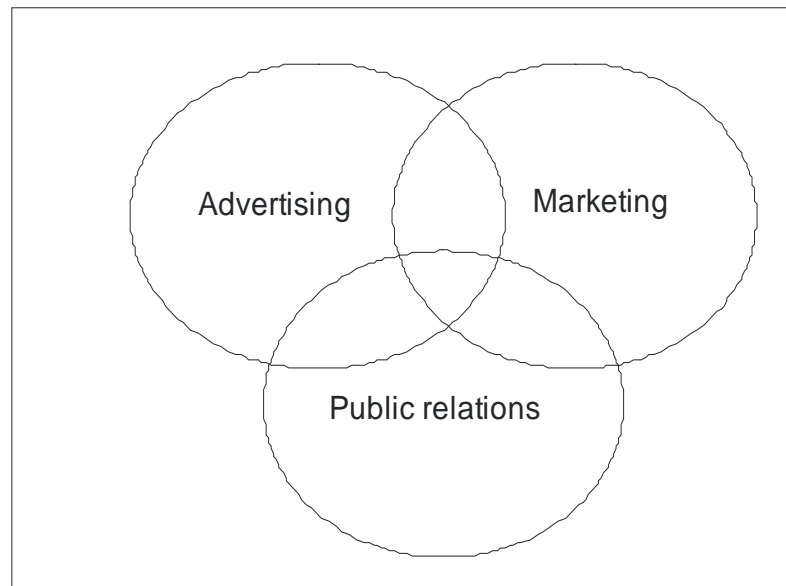
However, communication can be the most important activity of an organisation. Communication is more than writing words, sending pictures to the public or telling stories. Cameron *et al.* (2008: 13) refer to Kotler’s analysis of the dynamics of public relations with

marketing. He argues that the fifth “P” of marketing strategy is *public relations*, which includes *product, place, promotion* and *price*. Marketing communications is when public relations is used to support an organisation’s marketing objectives. Cameron *et al.* (2008: 13) also identify this as a component and function of public relations when they state that integration of communication tools are widely adopted to accomplish the organisation’s objectives. Although well-defined, differences exist among the fields of advertising, marketing and public relations. There is an increasing realization that through an integrated approach, an organisation’s goals and objectives could best be accomplished not merely through marketing, but through all communication functions (Cameron *et al.*, 2008: 14).

Communication channels should be opened between organisations and the public. What flows through the channels are statements about ambition, images of each other and descriptions of activities, information and attitudes. The organisations can achieve their purposes because their relationships with their publics are important to them in ways that the publics accept (hence public relations). Organisations are established to do business with the public (and eventual stakeholders), therefore, they must practise public relations. Managed communication implies motive and purpose (Fulginiti & Bagin, 2005: 2). When a specific public forms a (positive) opinion about an organisation, a relationship with the organisation is already established.

Organisational communication is a general term that covers communication with corporate stakeholders. It includes public relations, internal communication and corporate advertising, public affairs and investor relations. Most of these activities are initiated by external groups (Theaker, 2008: 68). Specifically, communication informs, influences attitudes and brings about action. It also persuades. Contemporary theory postulates that it is a transaction between participants during which a relationship is developed.

## Flow of the Communication mix



**Figure 2.3: Flow of the communication mix of advertising, marketing and public relations.**  
(Guth & Marsh, 2007)

The above flow of communication mix model show that communication is presented not only as a dynamic process of exchanging meaningful messages in advertising, marketing and public relations, but it is also transactional and involves negotiating meaning to establish and maintain relationships.

Advertising, marketing and public relations follow the same process of research, planning, communication and evaluation (Arenas *et al.*, 2011: 25). Arenas *et al.* further state that, marketing and public relations focus on the public, and not merely on consumers. Unlike advertising, public relations do not control its messages by purchasing specific placements for them through media facilities. Public relations are responsible for managing an organisation's relationships with its stakeholders. Public relations are much larger than a mere tool of marketing communications. It is concerned with employees, interest groups, vendors and suppliers, the press and government regulators – all stakeholders (2011: 25).

## 2.9 BRANDING IN COMMUNICATION

Branding is one type of communication strategy (Lockwood, 2007: 5). A brand is similar to an egg in structure. Its overall shape and appearance are part of its iconic qualities. The view of an egg may seem like a mere oval shape. Its shell is a metaphor for containing hard

core information about it and, similarly, its yolk represents its values, containing inner strength, reassurance, essence and subliminal qualities of heritage (Green, 2006: 84).

A brand is everything about an organisation: what it does and what it produces and owns. It is a clear projection of an organisation's ideas (Olins, 2008: 28). This further translates into all that the organisation is about in terms of its beliefs and what it represents: from the organisation's history, personalities that have created and driven it forward, to the organisation's structure, strategy, and its successes and failures, which shape it into what it is. An organisation's brand image can profoundly shape its communication dynamics and national economic growth and friendliness. One of the greatest advantages of brands over commodities is that they are an infinitely sustainable resource – as long as their value is maintained through careful marketing communication strategies. Their value resides basically in the minds of the stakeholders, and not in the factory of the production of goods and services (Pritchard *et al.*, 2010: 28-29).

Assessing a brand's image and how it compares to its competitors' images is an essential step for organisations' communication strategies. There are many reasons an organisation must manage and control its branding. There is the need to attract loyalty and organisations require conscious branding strategies for different stakeholders. The desired image must be close to reality, simple, distinctive, believable and appealing in order to be effective (Pritchard *et al.*, 2010: 47).

Olins (2008: 30) advocates four brand senses:

- i. communication – how it tells stakeholders about trends and about itself
- ii. product – the service that an organisation offers or sells
- iii. environment – how it lays out its structures in the physical environment
- iv. behaviour – the conduct of its people towards one another and to the outside world.

The knowledge of an individual organisation creates a sense of 'we' and informs others what the brand stands for. Intimate knowledge of how stakeholders see an organisation is a requirement of knowing (through objective assessment and perception) the organisation. In keeping a brand alive, it is critical that an organisation must go to where its brand is used, which is deep within the stakeholders' relationships with the organisation (Hatch & Schultz, 2008: 45). Through information that is provided through market research, customer relations programmes and sales representatives, organisations learn what stakeholders



think about them. Organisations monitor the media and conduct press clipping analyses to learn what stakeholders think; they track their public reputation through opinion surveys, and they engage in numerous interactions with stakeholders via government, investors, their publics and community relations activities.

When organisations listen and respond to their stakeholders, their potentials can be realized. It is not merely listening, as it equally involves responding to stakeholders (Hatch & Schultz, 2008: 95). A public relations communicator is a bridge-builder. The practitioner's responsibility is usually to provide understanding, communications and co-operation to between different people.

Eskom's communication culture is challenged to be articulated to ensure the relevance of build-bridging in public relations towards meeting the information needs of its stakehPolders.

## **2.10 TYPES OF ORGANISATIONS**

Organisations grow out of a conscious decision by an individual or group with the purpose of achieving certain business objectives in a disciplined method of human resources. Organisations exist to accomplish specific purposes that an individual, who acts alone, may not be able to meet (Mersham & Skinner, 2002: 147).

However, for the purposes of this research, organisations shall be typified by their establishment essence and drives. Mersham and Skinner (2002: 147) advance that there are three types of organisations that can be loosely classified as bureaucracies, enterprises or business and voluntary associations.

Bureaucracies are often very big and thus large employers of labour. These are public sector organisations, which operate from national, regional or local government taxes. They provide an extensive range of services to the public, including various government departments, hospitals, schools and libraries. Eskom, the case study of this research, is a bureaucratic establishment with the objective of providing electricity to the public (as reported in the case study of this research).

## **2.11 ORGANISATIONAL RELATIONSHIP AND LOYALTY**

Valued relationships stimulate loyalty. Soman and N-Marandi (2010: 173) claim that loyalty is an allegiance that is unwavering: faithfulness towards an ideal, a custom, a cause, an

institution, or a product. Presupposing that relationships are complex, it is posited that the ladder of stakeholder loyalty can be broadened to take into consideration negative stakeholder influences as well. The broadened ladder may serve to locate an organisation's actual and potential relationships with stakeholders (Polonsky *et al.*, 2002: 113). A description of a faithful attitude, inclination, fidelity and enthusiastic devotion to an organization, individual, a cause, or a country is referred to as loyalty. In a business context it has been used to describe stakeholders' willingness to continue to patronise an organisation over the long term, purchasing and using its goods and services on a repeated and preferably exclusive basis, and voluntarily recommending the organisation's products to friends and associates. However, this loyalty cannot be taken for granted. Loyalty will only be sustained as long as the stakeholders feel that they are receiving value, including quality of goods or services, which is relative to price from a particular organisation than changing to another source of supply (Lovelock, 2001: 151). Stakeholder loyalty is the mechanism through which reputation impacts organisations and brings the analysis of the theories of reputation closer (MacMillan *et al.*, 2005: 218).

In a competitive imperative, customers are growing more service-oriented, since they are demanding much from the organisations with which they choose to do business (Allen, 2006: 5). A valued relationship is a relationship, which the stakeholders build value around because the benefits that are received from service delivery significantly exceed the associated costs. This is also drawn from relational benefits for individual stakeholders that include greater confidence, special treatment and social benefits. Over a period of time, as the relationship is strengthened, the service provider, on behalf of its stakeholders, often assume the role of outsourced departments and make critical and substantive decisions that are beneficial to the stakeholders (Lovelock, 2001: 146).

## **2.12 ORGANISATIONAL IDENTITY PARADIGM**

An organisation is often described as a collection of individuals who, through division of labour and a hierarchy of ranks, seeks to achieve a predetermined business goal. The organisation itself does not 'do communication,' as it is people that make up the organisation that are involved in the communication processes and dynamics (Tubbs, 2000: 416). A major concept in organisational studies is identity. Identity is rather a situated accomplishment that depends on time, place and circumstances that form an organisation's life (Clegg *et al.*, 2007: 311). Having rationalized this, organisations that fail to fully embrace corporate identity may be unable to constantly manifest their ethical values across

their operations and communications, even while engaging in a driven visual identity (Borgerson *et al.*, 2009: 209). Identity, therefore, becomes a social responsibility that would stimulate and motivate stakeholders.

Various theories of identity have a lot to elucidate about the relationship between an organisation and its entire stakeholders. Cooley, in Hatch and Schultz's '*Taking Brand Initiative*' (2008: 95 - 96) presents the looking-glass self-curved analogy: what others see when they look at you is a reflection of what you see when you look in the mirror - when organisations consider other people's formed image of them, they actually see their corporate and social identity. Identity, therefore, becomes dynamic. It should be noticed that, as identity develops over the course of an organisation's lifetime, who they are and what others think of them, should be continuously evaluated. Culture is consistently singular from any one position in the organisation (Hatch & Schultz, 2008: 96).

Cultures contribute to the creation of organisational identity, considering the fact that people make meanings of communication in a socially diverse way (Hatch & Schultz, 2008: 50 - 55). The organisational culture provides much of the meaningful elements from which the most significant corporate brand expressions of its image are fashioned. Organisations should actively manage systems and advance its processes to listen and respond to stakeholders, because manipulation is different from persuasion.

#### Organisational Identity Dynamics Model



**Figure 2.4: Flow of conversation showing two directions in communication within an effective organisational identity** (Hatch & Schultz, 2008)

Responding to what stakeholders say about an organisation and its brand in relation to its communication's effectiveness, one moves from the outside in and can be equated with

listening. The other moves from the inside out (left to right) and involves responding to brand perceptions and feedbacks.

From the above communication dynamics model, emotion, expectation and information have two-way flow between an organisation and its stakeholders. The flow from stakeholders to the organisation produces a perception. Moving in the opposite direction, organisational self-expression involves behaving in ways that indicate claims about who they are. Both sides listen and respond to what their conversation partners offer when the organisational identity conversation is fully engaged (Hatch & Schultz, 2008: 51). This is the transactional model of communication, which arrives at a two-way symmetrical model. It provides space for organisations to negotiate with its stakeholders, whilst promoting understanding and mutual regards between them and their specific publics. Grunig (2006, 151-176), in his 'excellence theory' of public relations, terms this process the 'ideal' communication practice.

Newsom and Haynes (2008:5) also expound on Barnay's emphases on public relations and public opinion being a 'two-way street' in which leadership and the public find integration with each other, and where objectives and goals are predicated on a coincidence of private interests and public. This means that the task of public relations is not simply to communicate management's views to the public. The task also involves communicating the views of the public to management. Therefore, this becomes a relationship paradigm. If the stakeholders on which organisations focus their messages were a monolithic whole, their work would be far less interesting and stimulating. In reality, stakeholders are a complex combination of groups with diverse cultural, ethnic, religious and socio-economic attributes whose interests sometimes coincide and conflict with others. In addition to employing the mass media in reaching those stakeholders, a successful public relations communication campaign must take into account the evolving dynamics of stakeholders, and target those segments that are most concerned (Cameron *et al.*, 2008: 243).

### **2.13 STAKEHOLDERS' PERCEPTIONS OF ORGANISATIONS**

Every organisation, large or small, has a unique set of stakeholders – individuals or groups who can affect or who are affected by a corporation's activities (Stendsen, 1998: 1). If an organisation was perceived by its stakeholders to be responsible for any operation that it ordered, facilitated or performed and produced negative results, the organisation's resultant tarnished image should be restored (Erickson *et al.*, 2011: 220). In the professional world,

the future of any organisation depends critically on its key stakeholders' perceptions (Cornelissen *et al*, 2006: 114). Stakeholders' thirst and desire for transparent, instantaneous and comprehensive information can increase exponentially, particularly in times of crises when corporate communication efforts assume a critical role (Schanz, 2009: 262).

The world of stakeholders is filled with opportunities to engage with concerned people who are willing to serve the organisation. This is the reason Hatch and Schultz (2008: 150) state that organisations have realised their dependence on the society in which they operate. Stakeholders have their particular reasons to engage with organisations, and increasingly demand to do so. The stakeholders' expectation is targeted in the detailed explanation of how brand-relevant stakeholder engagement practices could produce both symbolic and economic value when stakeholders invest their passion, energy and resources to support the corporate brands that they choose. Listening and responding to stakeholders can bring improvement to a corporate brand and build a legacy of sustainable corporate reputation (Hatch & Schultz, 2008: 150). Research on how organisations view their institution's communication with the public has been relative to studies of public reactions, and how to improve such communications (Johnson & Chess, 2006: 1405). Through strategic listening organisations can determine how information can be made available to others through their public relations practitioners and communicators. Careful listening helps organisations to realize that relationships depend on constructive languages or statements, as well as positive actions (Coombs & Heath, 2006: 20 - 21).

Many organisations do not realise that stakeholder satisfaction is not necessarily a reflection that the stakeholders feel positive about their organisations; rather it is that they have no negative feelings towards them (Szwarc, 2005: 10). From a stakeholder's interpretation of an organisation's status quo, it is pertinent that public opinion is placed in perspective. Public opinion is the collective expression of the interpretations of many individuals who are bound into a group by common aspirations, aims, interests, needs, beliefs and ideals (Cameron *et al.*, 2008: 173). Opinion is generally related to specific events that have an impact on the population at large, or a particular segment of society. Events or words can influence opinions only as a relationship (of a general concern) grows.

## **2.14 STAKEHOLDER INTERESTS EQUITY**

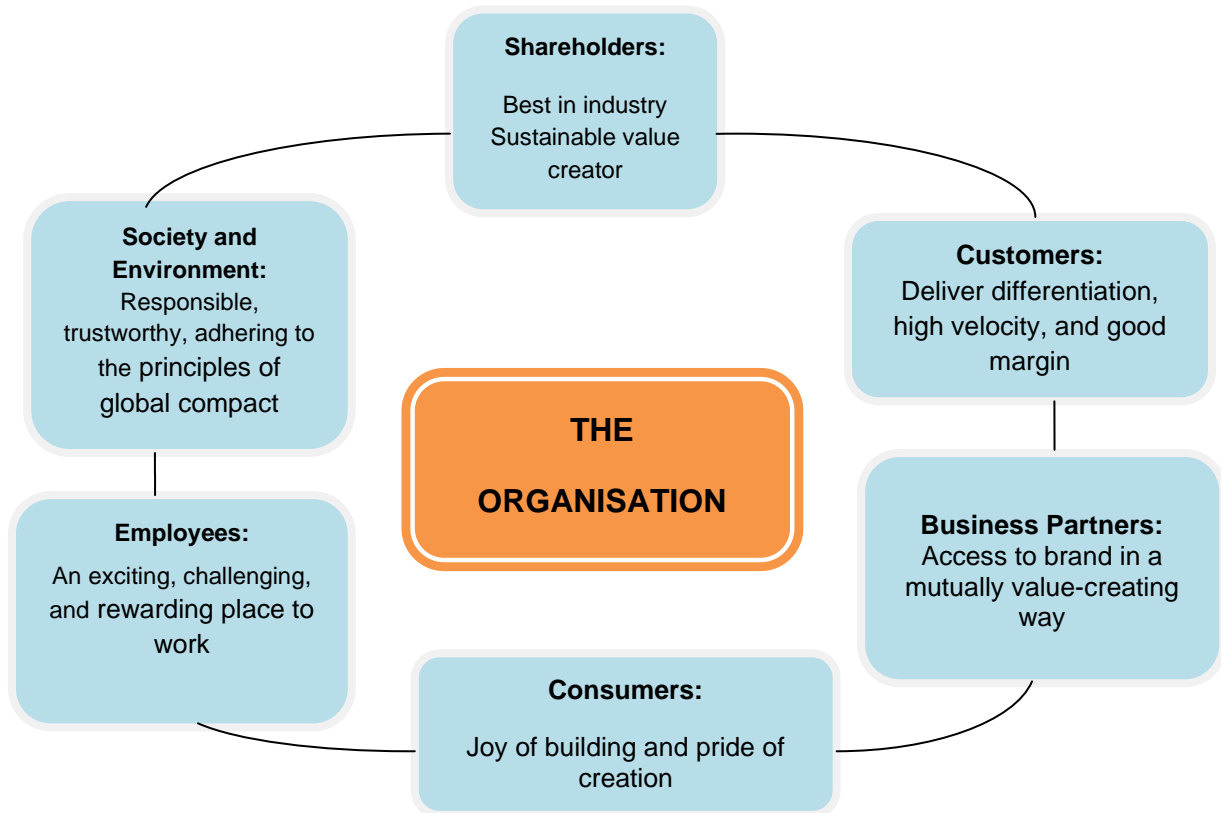
Schraeder and Self (2010: 3) emphasise that any organisation's most valuable assets and resources are its stakeholders. Every organisation, whether it is profit-oriented or a non-

profit organisation, government sponsored or not, constantly ensures its publics and stakeholders that it has better qualities than others (Courtright & Smudde, 2009: 246). A closer analysis of the theories in organisational communication suggests that the mechanism through which reputation can impact organisations are stakeholder relationships (Macmillan *et al.*, 2005: 218). The process of creating awareness and an understanding of current corporate social responsibility policies, strategies and attitudes and to define an integrated strategy for the future, must be communicated internally and externally in order to enhance an organisation's reputation, loyalty and relationship among stakeholders (Tustin & Pienaar, 2005: 122).

A key business driver for organisational success is stakeholder engagement and an organisation's vision could be meaningless without its stakeholders. This is why Lockwood (2007: 2) states that high levels of engagement in domestic and global firms can promote retention of talent, foster customer loyalty and improve organisational performance and stakeholder value. Trust and respect are also streamlined. Walker *et al.* (2009: 902) advance that the stakeholder must be satisfied, not only with an organisation's internal communication environment, but also with the external communication lines that impact the organisation.

In light of this premise, Hatch and Schultz (2008: 151) explain the premise of Edward Freeman, the father of Stakeholder Theory, by stating that organisations or corporations operate through social contracts that guarantee particular rights to those who have an interest (a stake) in their activities or outcomes. Therefore, a successful stakeholder management approach will focus on delivering satisfaction across the entire stakeholder experience (Jagersma, 2009: 342).

## Organisation and stakeholder balance



**Figure 2.5: Organisations should know their stakeholders by mapping their influences on the organisation**

The figure above displays various stakeholders who are involved in building a sustainable business within an organisation (*Adapted from Hatch and Schultz, 2008*).

The figure shows how organisations are originally structured in vision towards being the best and interpreted differently by each of the six core stakeholder groups. Appreciation of an organisation's knowledge of the conversational engagement of its stakeholders could increase effective communication. Stakeholders' conversations provide input from specific individuals on everything from image and reputation to product and service ideas.

Green (2006: 35) also identifies key strategies in building integrity as follows:

- i. Honestly attempting to see things from the stakeholders' point of view
- ii. Help the stakeholders to be happy about doing what you suggest
- iii. Have an abundance mentality and let the stakeholders have your ideas as an organisation
- iv. Understand and visibly live out your values as an organisation

- v. That organisations genuinely become interested in stakeholders interest by having the belief and value that every stakeholder has at least something interesting
- vi. Make the stakeholders feel important and do it sincerely.

From the points presented by Green, stakeholders would develop a deep sense of value and appreciate the fact that their concerns are acknowledged, and that their needs are considered.

## **2.15 ORGANISATIONAL TRUST AND VALUES IN COMMUNICATION**

Trust is derived from the German word *trost*, which implies a level of comfort when dealing with another person (Tubbs, 2000: 423). Trust is fundamental for the achievement of organisational excellence. Dishonesty can have immediate and long term consequences, which may affect the future actions of stakeholders towards an organisation (Walker, 2010: 358). An organisation's success and profits are impacted directly by trust. It can contribute to job satisfaction, which may lead to effectiveness, competitiveness, productivity and financial strength. Trust must start from the top of the organisation's management level. A critical view at any organisation will reveal that it is apparent that the most important people are those at the bottom- the frontiers. They provide essential support mechanisms, make the product, deliver the service and sell the goods and services (Center *et al.*, 2008: 28).

When organisations give accurate information they are considered trustworthy, and when they demonstrate an openness to consider suggestions from their stakeholders and are willing to explain their decisions (Tubbs, 2000: 425). Shockley-Zalabak (2011: 21) identifies five core principles of trust, which he calls 'trust drivers.' These are: competence, honesty and openness, reliability, identification and concern for stakeholders. Shockley-Zalabak (2011: 21 - 22) also states that, relatively, corporate social responsibility strives for high standards in seven areas, which are presented below:

- i. Business standards and corporate governance
- ii. Health promotion
- iii. Human rights, labour and security
- iv. Enterprise and economic development
- v. Education and leadership development
- vi. Environment
- vii. Human disaster relief.



The expected standards of any organisation's corporate social responsibility hinge on the mentioned areas because of the increasing need for stakeholders' loyalty to be influenced.

Building trust must be more intentional, and must be the responsibility of both professional communicators and corporate leaders. Organisational trust requires a more sophisticated alignment among intentions, behaviours and interpretations of attitudes but integrity and ethical behaviours are fundamental to trust (Shockley-Zalabak, 2011: 21).

Moreover, five stages of the adoption process that must be addressed in the strategic plans are; knowledge, persuasion, decision, implementation, and confirmation. All five adopted categories must be identified in the social system in which the innovation is introduced. The knowledge of employee empowerment and proactive and reactive public relations are starting points for new ideas and ways to enhance the flow and exchange of creativity, knowledge and innovation within the organization (Hansen-Horn & Neff, 2008: 86). Also, Hansen-Horn and Neff describe some fundamental principles that organisations should use to effectively communicate with their stakeholders and employees during the diffusion process:

- i. honesty and transparency
- ii. one voice
- iii. timeliness.

While it is essential that stakeholders and employees are kept informed of changes, decisions and developments that affect the organisation, it is important that they also know the reasons for those decisions. Employees are most concerned when it comes to how change affects them directly. Such explanations help to provide a big picture for stakeholders and allow them to feel part of a team (Green, 2006: 84). By identifying existing values on an organisational level, an organisation can gain leverage and make communication more sustainable. Every communication contains values. For the most part they are imparted unreservedly.

A strong indication of an organisation's communication success is when it constantly enjoys positive opinions from its stakeholders and public. Without the veneration of reputation, values and communication cannot effectively be placed on focus (Guth & Marsh, 2007: 5). Guth and Marsh (2007: 5) further explain that when an organisation is established, it is usually perceived that potential stakeholders should also share its desire to see expected accomplishments. This early vision or image placement plants the seed for an

establishment that will develop if the various elaborations of the original idea that occur over time permit the organisation to thrive and grow. Some people view organisations as the containers of goods and services. The objective approach suggests that an organisation is a structure with definite boundaries - a physical, concrete thing. Open and frequent communication is essential in the maintenance of value-enhancing relationships.

Bhargava (2008: 16) explores organisations as personalities. He suggests that every organisation and products have personality characteristics. The issue is that businesses today have become extremely good at hiding behind disclaimers. The future of business means building real connections with stakeholders. It requires organisations to rediscover the personality of their organisation, and to use it to bring more humanity to the way that they interact with stakeholders. Every organisation should project the soul of its vision and mission by revisiting the essence of its establishment. The challenge that most organisations face is in discovering what stakeholders are passionate about in the consumption of its goods or the usage of its services (Bhargava, 2008: 2 - 6).

Every organisation has different solutions to this (communication) challenge, from renewing their focus towards better service delivery in order to better tell the story of a product or service, to focusing on product design and innovation. Effective communication is the credible vehicle that conveys these strategies to the stakeholders. An organisation's policies and businesses (from interactions with stakeholders to the packaging and delivery of its product) are essential elements towards building a strong relationship with stakeholders. This emphatically establishes sustainable loyalty.

## **2.16 SUMMARY**

Stakeholders of any organisation cannot be neglected. This chapter has evaluated the essence and values of effective communication in contemporary dynamics of inter personal relations and organisations-stakeholders relationships. The review of relevant literature draws attention to all aspects of communication from its history, channels, its meaning, process, concepts, elements and components, to the relationships that public relations has with marketing and advertising. Excerpts were drawn from books of reputable authors, articles from accredited journals, and references were made from website materials.

Trust, functional and dynamic brand and positive corporate image of an organisation are essential ingredients in the stimulation and sustenance of stakeholder loyalty. The identity management of this brand has defined its effect on communication, especially as it

stimulates stakeholder loyalty. It can be concluded that effective organisational communication is hugely required to stimulate stakeholder loyalty.

The following chapter outlines steps that were carried out to conduct the study, and is presented as the research design and methodology. It emphasizes the selection of design, and reasons for the choice along with its merits and challenges.

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1 INTRODUCTION**

In this chapter, the design of the research, the research methodology and the research validity and reliability are explored. A qualitative approach was used to evaluate the constructs of Eskom's communication culture in determining the organisation's stakeholder loyalty or disloyalty. A quantitative content analysis method was adopted in the numerical presentation of units of words and phrases of constructs and variables on Eskom articles and public relations from the selected newspaper publications. By analysing the newspaper reports (using qualitative and quantitative content analysis methods) and by evaluating Eskom employees' interviews, triangulation was drawn and achieved.

This chapter explains how the research design and methodology were carried out. It describes the reasons behind the choice of research strategies and tools, and provides justification for using them. Theoretical backgrounds of various research methodologies are explained to achieve a basic understanding of the research process. The chapter concludes with an explanation of the essence of validity and reliability as potential measurements of good research.

There are always specific reasons for new grounds in every field of study. Mouton (2008: 27) presents the origin and motivation of research design and various reasons for the choice of a particular methodology. In his view, the first source of ideas is one's own experience and reflections about things around him or her as a researcher. People who are more sensitive to their surroundings and more aware of what goes on around them are also more likely to come up with interesting topics for research. A consequent awareness of research and sensitivity to societal events can stimulate the findings of research problems (Babbie, 2007: 87). Social research (which includes this study) can serve many purposes, particularly in areas of exploration, description and explanation.

#### **3.1.1 RESEARCH PROCESS**

The purpose of this research is to identify and analyse the communication culture of Eskom as a service (electricity) provider to the people of South Africa. This is in order to find guidelines or directions for companies or organisations, which deal with stakeholders in

their public relations activities. Therefore, a case study approach was adopted to gain a better understanding of the reports from the three newspapers mentioned earlier; the *Cape Times*, the *Mail & Guardian* and the *City Press*. This was also supported by a scheduled and semi-structured interview with two members of Eskom staff in the communication department. The aim was to obtain feedback, comments and reactions regarding the newspaper reports of stakeholders' treatments and perceptions.

### **3.2 CLASSIFICATIONS OF RESEARCH**

Rao (2010: 73) defines research as “the quest to know new facts and verify old ones by application of scientific methods to natural phenomena or an art process (in scientific) investigation.” For the purpose of clarity and the definition of concepts, it is essential to evaluate the different types of paradigms that are involved in research. In any in-depth study, research usually involves three dimensions (Biggam, 2008: 82), namely:

- Research paradigm and design
- Research strategy
- Research methodologies.

#### **3.2.1 RESEARCH PARADIGM AND DESIGN**

The objective and intention of research design is the demonstration of competence of the researcher to conduct a study (Marshall & Rossman, 2006: 58). It hence becomes an architectural blueprint of a project, linking design, data collection and analysis activities to the research questions while addressing the entire research agenda. Furthermore, Bickman and Rog (2009: 11) suggest that implementation of a research design relies on the study's credibility, feasibility and usefulness. Although there are several facets to the design and categorization of research methods, a major distinguishing feature between different research methodologies is the various data collection approaches.

Research design is created and moulded by the methods that are chosen by the researcher in the context of the participants. There is a need to design the pacing of processes and strategies that are used once the project has been methodologically located, and the need to see the project as a whole (Richards & Morse, 2007: 74). Bryman and Bell (2011: 45) mention five types of research designs:

- i. experimental design
- ii. case study design
- iii. cross-sectional or social survey design

- iv. comparative design
- v. longitudinal design.

Mouton (2008: 55) describes research as essentially a design plan or blueprint, which shows the intention in the research conduct. He goes further to say that researchers often confuse 'research methodology' and 'research design.' The easiest distinguishing elements are methods of analyzing the research data. Furthermore, Nieuwenhuis (2007: 70) argues that a research design is a ploy, which moves from the underlying assumptions to specifying the gathering of data, identification of respondents, techniques to be used and the style of data analysis. The choice of research design is based on the researcher's assumptions, which influence the way in which data is collected.

Research designs are tailored towards addressing a variety of questions. It focuses on the end product - what kind of study is being planned and what kind of result is envisioned? When we attempt to classify different design types and kinds of studies, we do so according to the kind of questions that they are able to answer (Mouton, 2008: 56 - 57). Therefore, in adopting a research design for this study, three approaches were applied, which are presented below.

- a. A research method that answers 'how' and 'why' questions, while offering a multi-perspective analysis with the views of relevant groups of actors and their interactions, is often regarded as a case study (Maree, 2008: 75). Case study research equally gives voice to the voiceless from a deeper comprehension of the dynamics of the situation. A **case study** on Eskom was conducted. This strives to offer a multi-perspective and comprehensive understanding of how participants relate and interact with published reports and articles on Eskom from three South African newspapers that were mentioned earlier.
- b. **Content analysis** on the reports and articles of these three national newspapers was conducted to validate communication credibility in content and transparency. This was to evaluate the effectiveness of Eskom's communication culture and practice.
- c. The third aspect of this research design was a scheduled **semi-structured interview** with two top officials in Eskom's Corporate Communication Unit. This contributed to the case study approach in respect of Eskom's communication.

### **3.2.2 RESEARCH STRATEGY**

Researchers most times wrongly use the concepts of research strategy for research design. Research design is the intention of implementation and description of how to conduct the entire study, while research strategy is a combination of the research design, the research objectives and the research data collection techniques. This helps to determine the quantitative or qualitative nature of research, and cannot in itself be qualitative or quantitative (Biggam, 2008: 82 - 88). Parts of the research strategy are also the case study of Eskom (the effects of its policies, operations and activities in relation to its communication with its stakeholders) and the objectives of the study. The data collection technique involved gathering one year articles and reports (data) on Eskom in the identified newspapers. Semi-structured interviews were also used in corroboration with the evaluation of newspaper reports.

The research strategy of this study, which seeks to explore the dynamics of effective organisational communication in order to enhance stakeholder loyalty was a literature survey. The idea was to draw reference to what other researchers and scholars have said about the concept of internal and external facets of organisational communication and structures.

Cohen and Manion (1995: 106) describe the case study researcher as a typical observer of the characteristics of an individual unit, either of a community or a class. The purpose of such observation, according to them, is to probe and analyse the multifarious phenomena that constitute the life cycle of the unit. The distinctive attribute of a case study is that it attempts a comprehensive understanding of how participants interact with each other in a specific situation, which creates meaning of a trend under study (Maree, 2008:76). Maree (2008:76) advances that a major strength of a case study research method is the application of various sources and techniques in the data collection process, which are determined in advance.

## THE RESEARCH DESIGN

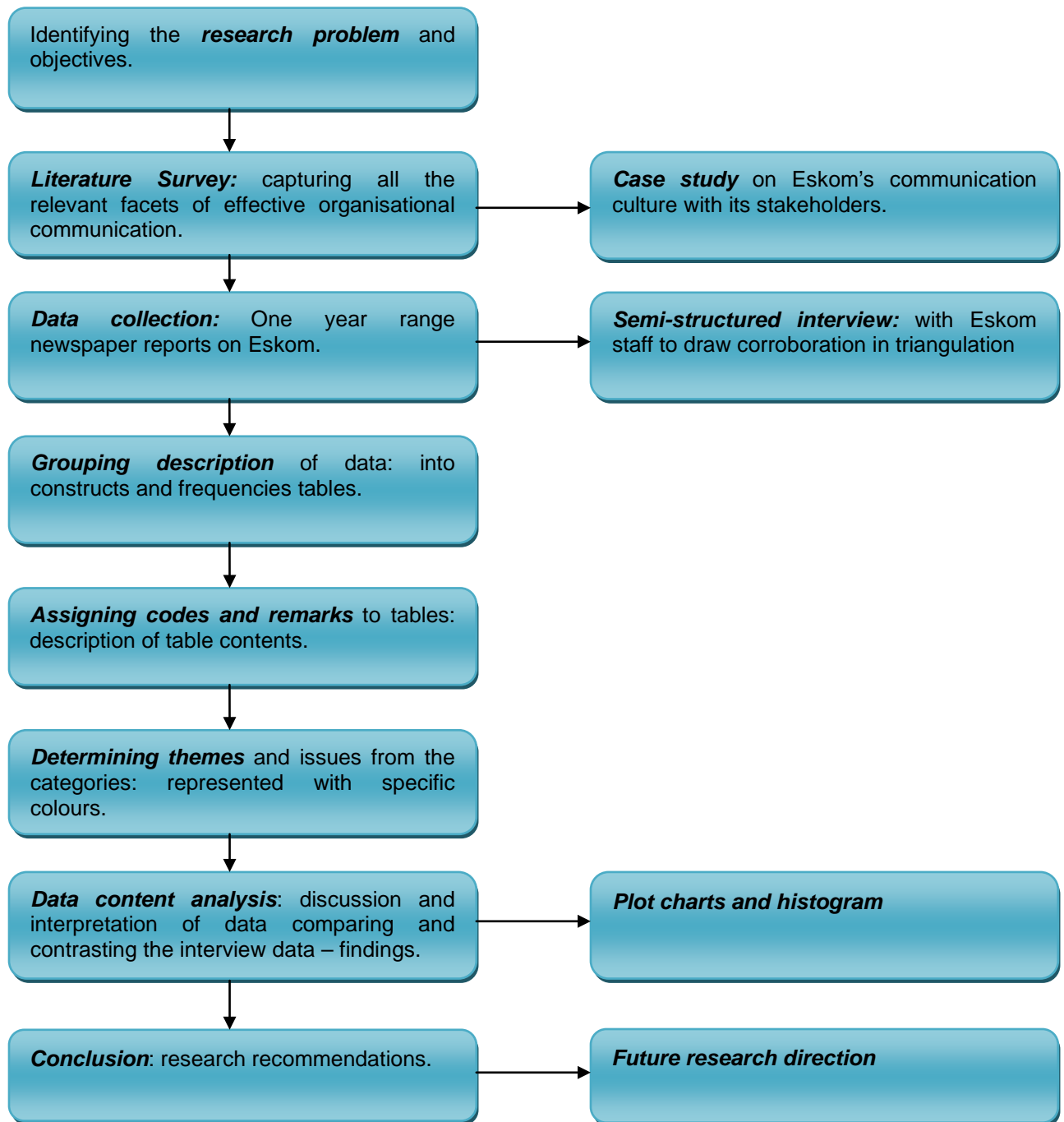


Figure 3.1: Design of this study showing steps (*map*) of the entire research process



### **3.3 RESEARCH DESIGN AND METHODOLOGY**

Generally, research methodologies are commonly defined in their underlying terms as *quantitative* (quantity) and *qualitative* (quality). Qualitative research answers the question “why” (Biggam, 2008: 86), and quantitative research answers the question “how many.”

Research methods are techniques or procedures that are used to collect and analyse data. Research methodology refers to discussions of how research data collections are carried out and how the data will be analysed after collection, while considering critical analysis of the specific method. However, the adoption of a particular methodology might be influenced by the researcher’s natural or social position and the theoretical dimensions of the research question, among other factors (Henn *et al.*, 2009: 334). The factors include whether the researcher intends to evaluate the qualities or identifies the quantities of variables of the collected data. This is usually towards drawing conclusions in answering the research questions or research objectives.

### **3.4 QUALITATIVE RESEARCH METHODS**

In a wide range of academic and professional areas the use of qualitative research develops from aspects of sociology and anthropology and represents a broad view that recognizes human affairs (Holliday, 2007: 7). The subjective qualities that direct behaviour are essential tools; it is not sufficient to rely on a quantitative survey and statistics alone. Qualitative research is intended to approach the outside world and to describe, understand and sometimes, in a number of diverse ways, explain social phenomena (Kvale, 2009: x). Qualitative research differs from the quantitative research method because it focuses on the constructed reality of the research participants in its criteria for truth, purpose, methods and focus (Vanderstoep & Johnston, 2009: 167 - 179). The qualitative approach is typically less concerned with aggregate generalizations, and the purpose is to understand the in-depth viewpoint of a research participant.

Qualitative data analysis is usually based on an interpretative philosophy that is aimed at evaluating symbolic and meaningful content of qualitative data. It tries to establish how participants make meaning of a specific phenomenon by analysing their understanding, knowledge, values, perceptions, attitudes, feelings and experiences in an attempt to approximate their construction of phenomenon (Nieuwenhuis *et al.*, 2007: 99). Qualitative research considers the quality of social life, whilst setting manageable boundaries, and locating the study within particular settings, which provide opportunities to explore all possible social variables (Holliday, 2007: 6).

A major advantage of the qualitative research method is that it clearly describes and explains the nature of a phenomenon. While this is an accepted fact, the other side of the coin has a major demerit: it may not be sufficient to substantiate a claim without applying a numerical allocation to the apparent variables.

### **3.5 QUANTITATIVE RESEARCH METHODS**

Rao (2010: 88) points out the claim of Harvey's description of quantitative data as data, which can be measured after being classified in an objective method. Again, they have the capability of being accurately described by a set of formulae under strict procedures. This makes their definition explicit and independent of individual judgements. Quantitative methods of research are based on a positivism perspective because they are basically systematic. Its data is replicable and it should be possible for the same data to be re-collected by another researcher in another place for it to still measure or identify the same thing, hence the results can be directly compared.

An advantage of quantitative research is that the findings will more accurately reflect the overall population from which the sample was drawn from the sample under study (Vanderstoep & Johnston, 2009: 7). Quantitative research uses statistics and replication to validate generalization from survey samples and experiments and counts occurrences across a large population. It reduces contaminating social variables (Holliday, 2007: 6). The quantitative researcher tends to use predetermined coding categories. In this case, coding is the application of those categories for the specific data, which the research requires (Shank, 2006: 147).

### **3.6 CONTENT ANALYSIS DEFINED**

In the social sciences content analysis is potentially one of the most significant research techniques. Data is viewed in content analysis as representations of images, expressions and texts that are formed to be seen, read, interpreted or analysed (Krippendorff, 2004: XIII). Any of several research techniques that are used to systematically analyse while describing the content of spoken, pictorial or written communication such as books, newspapers, television programmes or interview transcripts, is known as content analysis (Vogt & Johnson, 2011: 71-72). The techniques are most times quantitative in orientation because enumeration or counting is involved.

The earliest use of content analysis, according to Shank (2006: 156), was the famous era when statisticians used word frequency analysis to identify previously unknown authors of

some of the *Federalist Papers*. Shank also discusses that over the decades, a number of researchers have updated the basic function of data processing verification after invention.

Content analysis is any message or meaning that can be communicated in content by themes or words. It can also be in the form of pictures and symbols (Mouton, 2008: 165). Bryman and Bell (2011: 289) postulate that using a systematic and replicable manner, content analysis is an approach to the analysis of documents and texts - print or visual – which aims to quantify content. It is a flexible method that can be applied to a variety of media. In some sense, content analysis is not a research method – rather, it is a means of data generation and an approach to analysis of specific content. However, because of its distinctive approach to analysis, it is usually treated as a research method (Bryman & Bell, 2011: 289). Merrigan and Huston (2004: 134) state that it is a research technique with focus on systematic, objective and quantitative communication descriptions.

Hence, we can, therefore state that content analysis is a means to identify the intentions, focus or communication trends of an individual, group or institution through detection of the existence of propaganda, whilst describing attitudinal and behavioural responses. Content analysis is both quantitative and qualitative in nature. Pepler (2011: 2) asserts that it is the selection of articles and content in certain newspapers, magazines, interviews, posters, television or other media, according to specific categories and groupings that will provide more insight to the research problem.

### **3.6.1 BRIEF HISTORY OF CONTENT ANALYSIS**

Krippendorff (2004: 3) traces the earliest use and application of content analysis (which he describes as the systematic analysis of texts) back to inquisitorial pursuits by the church during the 17<sup>th</sup> century. The first known theses about newspapers were defended between 1690 and 1699 by candidates who were pursuing academic degrees in Theology, because religion has always been captivated by the written word. Researchers would quantify media content by analyzing the presence, relationships and meanings of words and concepts, then make inferences about the messages within the texts, the writers, the culture, the audience and the time of the situation or context. To conduct content analysis on any such text, it is simplified or coded into manageable categories on a variety of levels – from words through phrases to themes.

However, in spite of its impracticality of human error and time constraints, content analysis was already an often utilised research method by the 1940s. Although initially limited to

studies that examined texts for the frequency of the occurrence of identified terms (word counts), by the mid-1950s researchers were already starting to consider the need for more sophisticated methods of analysis, focusing on concepts rather than simply words, and on semantic relationships rather than mere presence.

### **3.6.2 MERITS OF CONTENT ANALYSIS**

Bryman and Bell (2011: 305) refer to Kabanoff *et al.* to suggest that content analysis enables researchers to analyse organisational values with observable traces in organisational documents. This offers an important method for the cultural study of organisations. In favour of the method of content analysis, Bryman and Bell (2011: 305) also present the following, as highlighted by measuring the frequency with which values occur:

- i. It can be applied to a wide range of unstructured information because it is a flexible method
- ii. Content analysis in the social sciences is primarily associated with the analysis of mass-media outputs, in business and management research
- iii. Social groups that are difficult to gain access to could be penetrated by content analysis that allows information to be generated about it
- iv. It is, therefore, a non-reactive method - it is favourably described as an unobtrusive method
- v. It is an objective method of analysis.

Henning *et al.* (2004: 102) support that content analysis achieves the following:

- i. Due largely to the stringent application of the method of coding and categorising, the assumption is often made that the research arrives at a set of valid findings; and
- ii. It works on one level, which means that it is easy to access – the content of data texts.

Berelson (2012) offers more possibilities for the uses of content analysis:

- i. Differences in communication content is revealed;
- ii. The existence of propaganda is detected;
- iii. Emotional or psychological state of persons or groups is determined;
- iv. Focus or communication trends of an individual, group or institution by identifying their intentions; and

- v. Attitudinal and behavioural responses to communications are depicted and described.

### **3.6.3 POTENTIAL PITFALLS OF CONTENT ANALYSIS**

Content analysis, like any research technique, has some limitations. The rigour of content analysis is the main disadvantage, which is associated with it (Bryman & Bell, 2011: 297, 308). Content analysis is only as good as the documents which form the basis of context for the researcher – representativeness, credibility and authenticity.

- i. The documents that are analysed may not have enough credibility
- ii. Particular problems are likely to arise when the aim is to impute dormant content
- iii. There are no specific answers to the reasons for questions in content analysis
- iv. There is a wave of indictment that content analytic studies are sometimes not theoretical
- v. Emphasis on content analysis on measurement rather than on what is theoretically significant can unwittingly result in an accent being placed on what is measurable
- vi. Representativeness of texts analysis limits the overall external validity of the accuracy of data sources and findings
- vii. There arises serious limitations regarding interpretation of the selection effects in sampling texts because of little information on intentions and background or original texts of authors.

From the list above, conclusions of research could almost be reached by merely considering the articles and reports (data) of the identified research.

The collected data in content analysis is not open to interrogation because this method of study may lead to superficial and naively realistic findings that capture what is presumed to be the 'real world' - through the eyes of the researcher - in a straightforward, direct manner (Henning *et al.*, 2004: 102). All content analysis involves the development of coding systems. Where more than one coder is involved, a source of error can develop and reliability is compromised (Mouton, 2008: 166).

With knowledge of all this, conscious plans and strategies were established in this study to avoid any inherent errors, and to eliminate any potential misinformation which might have result from coding, text analysis or discussion of results.

### **3.7 INTERVIEWS**

Among all the data collection techniques, interviews could be regarded as the most popular because they come in many shapes. They have a long history (Cassell, 2011: 500). The history of interviewing was largely developed in the twentieth century. It emerged from two trends; an increased concern with its usage, as the basis for psychological testing management in the First World War, and the need to gain quality of responses (Fontana & Frey, 2005: 699).

Interviews involve a structured approach towards obtaining information on a defined subject or phenomenon. The identified types of interviews that are available to researchers in their studies are classified as one-on-one or face-to-face interviews, semi structured interviews, closed-ended interviews, in-depth interviews and open-ended interviews. Other types of interviews are telephone interviews and electronic interviews. In any case, the respondent seems to have control of variable factors such as time, space, mood and other determinants which are at his or her disposal, inasmuch as feedback is given within the required time frame. For conducting research, all techniques of interviews share common principles or basics and can be equally used. However, the nature of the information that one wants to obtain is an important distinctive criterion for any choice (Opdenakker, 2006: 3).

Interviews in this study, as organisational research, were conducted to establish triangulation. This study adopted the semi-structured type of interview in order to substantiate data that emanates from other sources (Maree, 2008: 87) as it gives the respondent an opportunity to be objective when responding.

#### **3.7.1 STRENGTHS OF INTERVIEWS**

- i. The respondents are a significant source of information for data collection, analysis and evaluation.
- ii. The interviewees or respondents provide answers to questions in a relaxed atmosphere while considering interview standards.
- iii. It could be quite cheap to undertake.
- iv. Interviews are usually done on an anonymous basis.
- v. Interviews substantiate facts and clear the clouds of misrepresentations, if any, in giving credibility to research.
- vi. Most times it creates a pleasant relationship between the interviewer and the interviewee.

- vii. The social status of the interviewee does not affect the interview process; therefore, there is a considerable flow of information.

The strengths of the interview cannot be over emphasised, as interviews remain a conventional method of obtaining information (of facts) from respondents.

### **3.7.2 LIMITATIONS OF INTERVIEWS**

- i. Interviews through electronic means may be delayed as the respondent may want to disregard timeliness.
- ii. Interviews may be biased when the respondent anticipates gratification.
- iii. It could be time consuming when transcriptions are required for data analysis.
- iv. Telephonic interviews may be truncated when the facility is noisy or unclear, considering the distance between the interviewer and the respondent.
- v. It could be expensive when a face-to-face meeting is required and the interviewer has to travel to meet the interviewee.
- vi. It could be hazardous and strenuous in situations when the interviewers live in remote and interior areas.

Despite the limitations of conducting an interview, it still stands out from among other means of data collection. The access (created in the process) to the interviewee establishes a soft relationship in the entire process of data collection, which stimulates flexibility.

### **3.8 VALIDITY AND RELIABILITY**

All research should be valid and reliable to be recognized as a deeply established study. Vanderstoep and Johnston (2009: 59) state that validity is related to truthfulness. Measure shows validity if it actually measures what it claims (or is intends) to measure. Validity relates to the extent to which the collection of data or research methods measure what it is believed to describe or measure (Crowther & Lancaster, 2009: 80). Validity concerns positioning research in a self-assurance position, while reliability refers to a wide range of phenomena, which means constancy or repeatability (Girden & Kabacoff, 2011: 3). Under the same experimental conditions, research should be reliable: anyone else should be able to obtain the same results under the same circumstances.

Reliability equally refers to the extent to which the instrument covers complete content of a particular construct that it is set out to measure. Before finalising the instrument, in order to ensure the content validity of an instrument, the researcher usually presents a provisional version to experts in the field for their comments (Pietersen & Maree, 2007: 217). It is the degree to which items of test are measured against the intended characteristics (Girden & Kabacoff, 2011: 380). Flick (2007: 5) identifies two types of validity: internal and external. Interfering conditions are controlled in order to increase the internal and external validity of research and results. However, to ensure that researchers are measuring the core concept that was intended to be measured and not something else, they rely on construct validity (Keyton, 2006:108). Fink (2008: 188) explains that the degree to which a measuring tool accurately measures, is the characteristic that it is supposed to measure.

In using content analysis to measure stakeholder loyalty through the dynamics of effectiveness of organisational communication, validity and reliability of results were determined by using the research design and strategy to extract variables (which were from the context of the three indicated newspapers). This was in order to generate generalizable propositions, and to build theory. This was to improve the validity of the study. In a critical thought, Bryman and Bell (2011: 61) quote Eisenhardt who refers to this essence as a positivist approach. A positive contribution of using mixed-method approach is the provision of two or more independent measures of key variables. In checking whether the information is consistent, and to compare information from different sources, this makes it possible to use triangulation in data collection at different points in time and from different sources (Bamberger *et al.*, 2006: 141 - 148). In the argument on triangulation, the evaluator should confirm the information from an interview through direct observation of the events that are described by the interviewee, through documentary evidence of the events, through interviews of others and through patterns of their occurrences.

Triangulation is one method of enhancing validity that develops converging lines of evidence. With regard to research, Girden and Kabacoff (2011: 3) seek answers on whether conclusions are appropriate, meaningful, valid and useful on the basis of the intent of the researcher and the procedures that are used to fulfil that intent. Triangulation in data collection bolsters the validity of both qualitative and quantitative applied research. Triangulation, which measures to compensate for the fallibility of any single method or measure, is a clear hallmark of applied research methods (Bickman & Rog, 2009: xvi).



Apart from analysing the key constructs that are studied and measured of content and information which is provided on Eskom in the stipulated newspapers (which involves qualitative and quantitative methodologies), this research is a combination of variables that include interviews with designated persons at Eskom. This was to determine the statistically significant differences between the variables. Also, in determining the validity and reliability of the results of this research, the same measurement tools – interviews, data and literature survey – when analysed by different researchers, would arrive at the same (qualitative) results.

### **3.8.1 THREATS TO VALIDITY AND RELIABILITY**

Bamberger *et al.* (2006: 139) present some threats or limitations to construct reliability and validity. These are shown below.

- i. Participants assess themselves and their situation differently when only one level of the treatment is measured.
- ii. There is usually compensatory effects and rivalry.
- iii. Complex construct is measured with the use of a single indicator.
- iv. Constructs are not adequately measured by indicators.
- v. Constructs may not be adequately explained.
- vi. The researcher may be faced with the challenge of allowing the intrusion of his or her values to a high degree.
- vii. The findings of the study may not be applicable to other contexts.
- viii. Credibility – the findings may not be ‘wholly’ believable.
- ix. The level of dependability may be questioned, as there may be possibilities of different results in findings from the same measurement.

A valid research is a study that is acceptable to the research community – practitioners and academics who are engaged in research. Acceptable research is one that is based on tested and tried research strategies and data collection techniques. Research techniques that use data analysis are deemed appropriate to a particular research when appropriately implemented (Biggam, 2008: 99). Validating this axiom, Yin (2003: 38) states that the way to deal with reliability is to conduct research (as if someone was looking over your shoulder) while making numerous steps that are as operational as possible.

### **3.9 SUMMARY**

Any research has its own specific data collection technique and approach. This determines the research methodology that is employed in a given study. This third chapter has essentially provided an overview of how the study was conducted. The quantitative attributes, which include determining the frequencies of words and phrases, attributed to Eskom's activities in South African newspapers to achieve validity and reliability. In the qualitative approach, the choice of content analysis as a means to deduce perceptions of the media was used to ascribe credibility, authenticity and representativeness. It is also open and unobtrusive. Research strategy, research design and methodologies were defined in this chapter with an emphasis placed on the differences. The meaning of content analysis was explored by highlighting the pros and cons. Content analysis is defined as the selection of media content according to categories and groupings that provide insight into the research problem, whilst answering the research question.

Chapter Four is an overview of Eskom as an organisation. It provides an understanding of the organisational structure and stakeholders concerns. Against the backdrop of the case study, the chapter also provides Eskom's public relations and communication policies which were revealed in the semi-structured interviews.

## CHAPTER FOUR

### CASE STUDY: ESKOM

#### 4.1 INTRODUCTION

This chapter highlights the history of Eskom, the organisation's organogram, as well as its operating and legal structures. It also presents its communication purposes, values and corporate strategies. It examines Eskom's communication culture; its contents and critical elements in its sustainable reporting, strategic objective and stakeholder issues. Effective organisational communication does not happen in a vacuum. It is aptly aligned to an established company or organisation to take root and become tangible in the lives of the stakeholders. Its dynamics are the core of this research question and hypothesis.

Considering establishments that would both reflect the essence of a government enterprise that is established for service delivery and organisations, which are founded to make profits to enhance economic growth, the choice of Eskom was made – as it reflects both essences. This was also to determine the balance of stakeholders' communication needs and clients' satisfactions.

#### 4.2 CASE STUDY - ESKOM

In social science case studies have become visible as examples of qualitative research, which involves extensive observation of a single group or group of individuals as a unit (Girden & Kabacoff, 2011: 27, 379). This establishes it clearly as an intensive qualitative investigation of a single individual or group of individuals. Huberman and Miles (2002: 9) state that a case study is a research strategy, which focuses on understanding the present dynamics within single settings. It typically combines data collection methods such as interviews, archives, questionnaires and observations. The evidence may be qualitative, quantitative or both. Generation of theory is the main interest to accomplish, and through the analysis of data and the provision of description, evaluation is reached.

Bryman and Bell (2011: 62) discuss case study as an analysis that is intensive. In referring it to a workplace or organisation, the most common use of the term is associated with a geographical location. In their verification, case study researchers tend to argue that they aim to generate an intensive examination of a single case in relation to which they then engage in a theoretical analysis. It could also be described as a unit of analysis (for

example, a case study of a particular organisation) or to describe a research method. Case study research could be positivist, interpretive or critical, depending on the underlying philosophical assumptions of the researcher (Nieuwenhuis, 2007: 75). Mouton (2008: 149) views case studies as ethnographic and usually qualitative in nature, which is aimed at providing an in-depth description of a small number of cases. In typical applications, case studies are applied to companies or organisations to gain in-depth research results.

Therefore, this study used mixed-method research. Bamberger *et al.* (2006: 231) describe mixed-method evaluation of research as a combination of both *quality* and *quantity* methods. The resulting evaluation often richly benefits from the strengths of both approaches when the process is well implemented from a good design. Kvale (2009: 148) defines it as an investigation, which is sometimes raised in the form of paradigmatic contrasts of a combination of quantitative and qualitative methods. Usually, qualitative methods fit into place with quantitative elements and vice versa (Holliday, 2007: 2) to achieve triangulation and credibility.

Bryman and Bell (2011: 62), Girden and Kabacoff (2011: 379) and Mouton (2008: 149) describe the advantages and disadvantages of case studies, as presented below.

#### **4.2.1 ADVANTAGES OF CASE STUDY RESEARCH**

- i. The research on a case study gives a sound source of ideas about patterns of behaviour or particular inherent tendencies.
- ii. It offers an opportunity for originality of findings and concepts.
- iii. Case study research is a credible method to study uncommon facts.
- iv. It avails the researcher an opportunity of a quality method to challenge hypothetical assumptions within research.
- v. Research on an organisation (in the case of Eskom) complements the core values of its establishment, which is transparency.

#### **4.2.2 DISADVANTAGES OF CASE STUDY RESEARCH**

- i. Case study research can be difficult to draw definite conclusions.
- ii. It poses challenging generalizations from a single case approach like Eskom.
- iii. It could generate biases in data collection, analysis and interpretation.

### **4.3 ESKOM BACKGROUND HISTORY**

Eskom has had its original name of **Electricity Supply Commission** (ESCOM) since its inception in South Africa in 1923. It was converted into a public limited liability company, which has been wholly owned by the government since July 2002. According to Eskom's annual report (year ending 2011), it is one of the top 20 utilities (in electricity generation) in the world, with maximum self-generated capacity of 41,194MW. Approximately 95% of electricity (generated by Eskom) is used in South Africa and approximately 45% of the electricity used in Africa. Directly, Eskom provides electricity to about 45% of all end-users in South Africa. The remaining 55% is resold by redistributors, among which are municipalities.

The electricity that Eskom generates is transmitted and distributed to customers in the mining, industrial, commercial, residential and agricultural sectors and to redistributors. Also, reports state that Eskom directly sells electricity to about 1,000 mining customers, 3,000 industrial customers, 49,000 commercial customers, 84,000 agricultural customers, and more than four million residential customers. The majority are pre-paid customers. South Africa consumes most of the sales, while other southern African countries account for a small percentage.

### **4.4 ESKOM KEY STAKEHOLDERS AND THEIR MATERIAL ISSUES**

Eskom, as a public company, has an obligation to the general public and its key stakeholders in the basic provisions of electricity for the growth of the economy. Eskom's responsibilities and commitments, which were projected to be accomplished, are:

- i. Academics
- ii. Analysts (*economic/business, environmental, political and social*)
- iii. Business (*broad and niche*)
- iv. Civil society (*general public, communities land owners and farmers, NGOs*)
- v. Customers
- vi. Financial markets and investors
- vii. Government (*national, provincial and local spheres*)
- viii. Industry (*independent power producers; Energy Intensive User Group; South African Wind Energy Association, and so on*)
- ix. Industry experts
- x. Internal stakeholders (*board of directors, executive committee, management and employees*)

- xi. Media
- xii. Organised business
- xiii. Organised labour
- xiv. Parliamentary portfolio committees and selected committees
- xv. Regulators
- xvi. Suppliers.

*These are according to Eskom's Annual Report (year ending 2011).*

#### **4.4.1 IDENTIFYING ESKOM'S STAKEHOLDER MATERIAL ISSUES**

An issue is material if it has a strong possibility that could considerably influence Eskom's assessments and decisions and those of its stakeholders. In the analysis of stakeholders' views and expectations, Eskom has identified material issues, which should be reported.

In relation to Eskom's sustainability and its significance to economic, environmental and social impacts of the business, there is much that could be reported. In this respect, a number of external sources were evaluated, which are presented below:

- Stakeholder feedback from focus groups, forums, committees and other methods
- Input from stakeholder dialogues
- Input from investors and investor groups that are committed to sustainable investing
- Eskom's shareholder impact
- Shareholder resolutions and other feedback from ongoing dialogue
- Eskom's corporate plans, objectives and strategies and performance
- Risks
- Policies and initiatives related to Eskom's business
- Partners, non-governmental organisations, suppliers and other stakeholders
- Media coverage
- Industry benchmarking
- Topics arising from the Parliamentary Portfolio Committees on Public Enterprises and Energy
- The Global Reporting Initiative (GRI), the United Nations Global Compact principles and other guidelines
- Parliamentary questions
- Independent reviews of Eskom's 2010 Integrated Annual Report

- Queries, reviews and assessments from investors and rating agencies.

Material non-financial performance issues were defined from the following internal sources:

- Feedback from executive management
- Engagements with employees
- Employee surveys and other inputs from employees
- Trend-spotting on issues which are relevant to Eskom's business.

#### **4.4.2 ESKOM STAKEHOLDER MANDATE AND STRATEGIC REVIEWS**

Eskom is accountable for the network and customer services business in the establishment. This entails the planning, operations and maintenance of the transmission and distribution network, management of the customer base, long-term electricity capacity planning and the revenue stream. Eskom's critical values reside in integrity, innovation, *sinobuntu* (caring), customer satisfaction and excellence. Eskom sells electricity to countries within the Southern African Development Community (SADC). Additional opportunities in the Southern African Development Community region are also being considered by Eskom.

Government's Integrated Resource Plan (GIRP) of 2010 aligns with Eskom's strategy and its future projects, which sets out a long-term electricity plan for South Africa. The National Energy Regulator of South Africa (NERSA) oversees the regulations of Eskom's license under licences, which are granted by the National Nuclear Regulator. Eskom's operations are also subject to authorisations that are issued by other relevant authorities such as the Department of Environmental Affairs and provincial and local government, which are to protect the public's interest and the government.

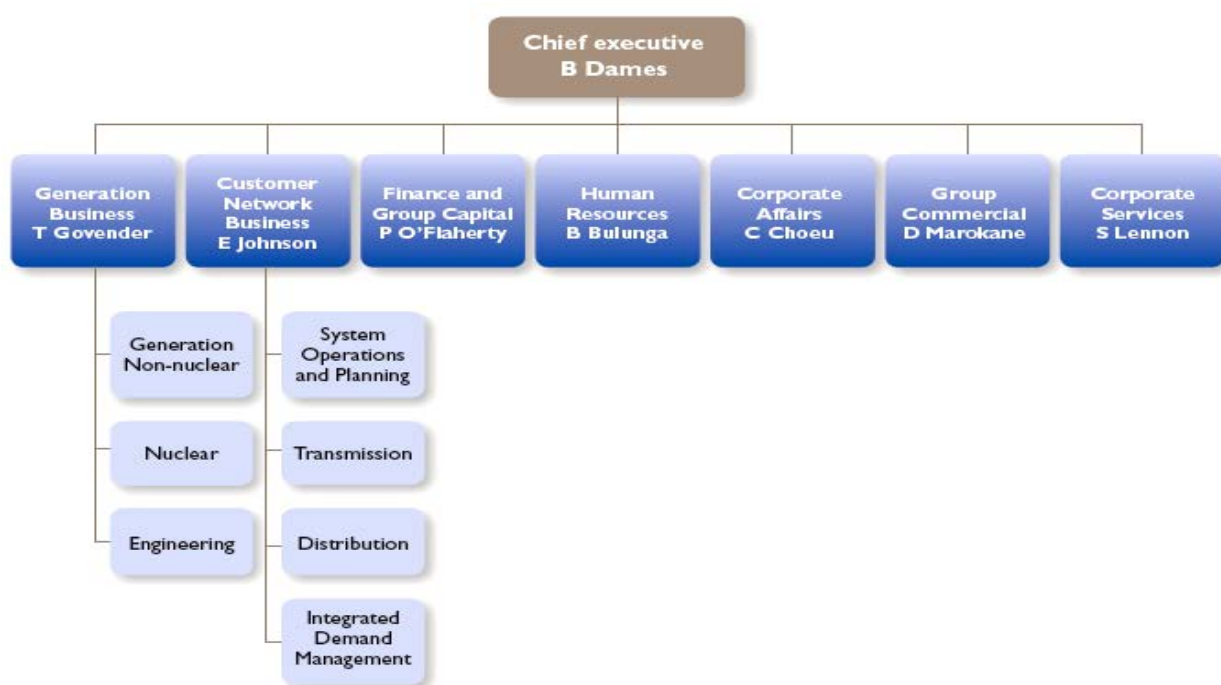
An exclusive strategy review is being undertaken to set milestones and objectives for the short, medium and long term. This review has to do with leadership, stakeholders, organised labour and the generality of organisation. Ten priority work streams were created, and independent specialists with about 100 full-time senior team members debated Eskom's strategic issues. As defined in the shareholder compact based on Eskom's mandate, Eskom's purpose, values and strategic imperatives were thoroughly evaluated to streamline current national and global possibilities.

*These are according to Eskom's annual report (year ending 2011).*

## 4.5 ESKOM STAKEHOLDER DEVELOPMENTAL ROLE

The provision of reliable and affordable electricity is not just a commercial venture, it is also essential for the hopes and expectations of South Africa. An introduction of a new growth path was made by the Government in October 2010, outlining its economic and strategic purposes and objectives for the next decade. As a parastatal, Eskom plays a central developmental role, serving as enhancer of government's vision and as an advocate of economic growth in South Africa. Also, according to Eskom's annual report (*year ending 2011*), South Africa's growing international image and its rising participation in various global forums must be supported by a motivated domestic economy.

### Eskom's operating structure



**Figure 4.1: Eskom's operating structure showing the senior management and portfolios**

*(adopted from its Annual Report 2011).*

## 4.6 REPUTATION MANAGEMENT AND CORPORATE REVIEW

The objective of Eskom's management reputation is to assess and evaluate media reports in the short term, and to turn around Eskom's image and reputation in the long term, while bracing Eskom's corporate communication strategy. Eskom's corporate review projects involve analysing corporate functions, assessing this against similar institutions and



identifying critical possibilities for rationalisation within existing operations. This project aims to improve the effectiveness and efficiency of corporate functions.

#### **4.7 RESPONDING TO STAKEHOLDERS**

Eskom engages with its stakeholders in a wide range of ways, including road shows, newsletters, presentations to portfolio committees and one-on-one meetings. These exchanges provide valuable insights. Some stakeholder concerns can be addressed fairly easily, while others have the potential to bring about significant process changes. Therefore, the frequency of engagements between different stakeholder types is diverse and specific to that particular engagement or initiative. Eskom has prioritised resolving, or incorporating immediate stakeholder concerns, while responding to those that require longer term interventions. Platforms for engagements are created with the broadest spectrum of stakeholders such as national road shows by Eskom executives and key customer forums. It will later be seen that the remarks and publicity of the newspapers, who are the main influencers of Eskom's stakeholders (as it represents the entire country), did not always have the ideal effect.

#### **4.8 EFFECT OF CLIMATE CHANGE ON STAKEHOLDERS**

In Eskom's Annual Report (2011) it is not obligatory for South Africa to reduce greenhouse gas emissions. The country is, however, committed to sustainable development measures and policies. While ensuring the sustainability of its economy and society, South Africa must make contributions to global efforts to combat climate change. Eskom supports this national approach in the form of a six-point climate change strategy. This plan focuses on diversification into technologies other than coal, adaptation to the negative impacts of climate change, energy efficiency initiatives, innovation through research, demonstration and development and investment through carbon market mechanisms. Eskom's economic, financial, operational, environmental and social performance imperatives should be balanced to remain sustainable. This balance requires alignment between Eskom and its stakeholders, including government as a shareholder in terms of expectations and a shared vision for Eskom.

#### **4.9 ESKOM'S DIVERSITY AND INCLUSION IDEOLOGY**

Since the 1980s, Eskom has had a transformation programme. Before the Employment Equity Act came into existence, it achieved various transformational objectives. Critical to

transforming Eskom, the leadership is driven by organisational values. Eskom embraces a philosophy of diversity and inclusion, which include strategic business imperatives, values and leverages of the diversity of its stakeholders and their experiences, backgrounds and expertise. Transformation is an integral part of Eskom. Diversity and inclusion underpin all human resources policies and practices, and all dealings with all stakeholders, customers and suppliers.

To drive the transformational agenda for the next three financial years until 2012/13, Eskom has established an ambitious employment equity (EE) plan, which is supported by a long-term target-setting strategy (*Equity, 2020*). The EE plan seeks to create, through various interventions, a workplace and workforce profile that is inclusive and diverse; and in ensuring that diversity becomes the '*Eskom way*' as an inherent culture. A current review of Eskom's business strategy will create opportunities to address equitable representation at top and senior management echelons.

#### **4.10 ESKOM'S STAKEHOLDER PRIORITIES FOR THE FUTURE**

- i. Integrating energy and power delivery planning into Eskom's strategic planning.
- ii. Facilitating the participation of independent power producers at local and regional levels.
- iii. Manage internal electricity usage across Eskom.
- iv. Acquire and retain the right skills.
- v. Facilitate vibrant energy trade in sub-Saharan Africa.
- vi. Intensify demand management and the regional inflow of green power.
- vii. To improve asset management.
- viii. To make laudable step changes in safety and security.
- ix. Institute integrated demand management across all Eskom divisions.

These are also presented from Eskom's annual report (year ending 2011).

#### **4.11 SUMMARY**

Eskom is an essential service (electricity) provider to the people and economy of South Africa and an employer of labour. This chapter has identified the organisation's establishing essence and its history. It also presented Eskom's sustainable vision and mission imperatives, whilst highlighting its management's organogram. The core mandate and value of Eskom's mission statement are translated into all stakeholder concerns.

In Chapter Five that follows, the data of this study is analysed and interpreted, while the findings are established against the backdrop of Eskom's mission and core stakeholder values.

## **CHAPTER FIVE**

### **DATA ANALYSIS: FINDINGS AND DISCUSSIONS**

#### **5.1 INTRODUCTION**

All social research is directed towards answering research questions about characteristics, relationships, patterns or influences in a specific social observable fact (Blaikie, 2004: 28). Once appropriate data has been collected or generated, it is possible to see whether, and to what extent, the research questions were answered. He also states that data analysis is an important step in the entire process of answering the research questions.

This chapter reveals the results of the content analysis of articles, which were published on Eskom, as described in Chapter Three (Research Methods).

In this chapter the collected data of the qualitative and quantitative research is analysed by using quantitative and qualitative methods. The content analysis units are all news reports and articles on Eskom in the indicated newspapers in order to determine its relationship with its stakeholders, their communication and their practices. The exploration of the themes in the news content of the indicated newspapers provides substantial data for analysis, findings and recommendations. The outcomes of the interviews with Eskom's staff were analysed in contrast to its organisational and corporate communication position. This was to evaluate Eskom's relationships with stakeholders, whilst using content analysis.

In applying content analysis, data was collected from the newspaper publications of articles and reports on Eskom from the 1<sup>st</sup> of July 2010 to the 30<sup>th</sup> of June 2011. Discussions of the study results are organised according to the research objectives with references to the outcomes or excerpts of the semi-structured interviews. As a case study, background information on Eskom's corporate communication section, its policies and relationships with stakeholders, was presented in Chapter Four.

#### **5.2 PROCEDURES FOR DATA ANALYSIS**

Data is regarded as information which is collected and analysed in order to proffer findings of research (Blaikie, 2004: 15). It is frequently equated with the notion of 'empirical evidence,' that is, the results of systematic observations from the use of the human senses. Therefore, data collection must be carried out in the course of achieving credible results in

academic research. This data is then analysed and used in the assessment of the project with a view to solve problems, explore issues and ultimately make recommendations (Crowther & Lancaster, 2009: 89).

The procedures that were followed in the analysis of the collected data, as indicated in Chapter Three of this study, comprise an integrative analysis of the newspaper articles against the background of the literature survey and findings. The implications of the constructs were identified and juxtaposed with elements of effective organisational communication that were discovered in the literature review.

Both qualitative and quantitative methods of analysis were carried out in this study. Through identification of the newspapers' frequent usage of particular words and phrases (the constructs), tables were generated to present the values for defined discussions. This data was further systemically categorised into themes of similar subject matters. Bar charts and histograms were also generated from information from the tables.

### **5.2.1 INTERPRETATION OF DATA**

Vogt and Johnson (2011: 93) explain that data is often thought of as statistical or quantitative, but (the data) may take many other forms as well – such as transcripts of interviews or videotapes of social interactions. Non-quantitative data such as videotapes is often coded or translated into numbers to make them easier to analyse. Data is also a record of an observation or an event such as a test score, a grade in a subject or response time (Salkind, 2011: 432). Data is composed of raw unprocessed details and facts pertaining to the problem, where solutions are being explored in a research or study (Crowther & Lancaster, 2009: 87). It is 'raw' and 'untreated' facts or opinions.

The collected data of this research comprises units of the frequency of articles - relevant words and phrases pertaining to newspaper publications on Eskom for the period of one year, as indicated earlier.

### **5.3 PRIMARY DATA AND SECONDARY DATA**

For the purpose of this research, therefore, the primary data is the data that was collected from the interviews with Communication and External Stakeholders unit of Eskom. Blaikie (2004: 18) explains that primary data is data that is collected mainly through techniques such as experimentation, interviewing, observation and survey. They are loosely related to,

and have implications for the methods and techniques of data collection and analysis. The content analysis also forms part of the primary data.

Secondary data is raw data that has already been collected by someone else, either for some general purpose such as a government census, or for a specific research project. Stewart and Kamis (1984: 1) state that secondary information (data) consists of sources of data and other information that is collected by others and archived in some form. These sources include government reports, industry studies, archived data sets, and syndicated information services, as well as traditional books and journals that are found in libraries. Secondary information also offers relatively quick and inexpensive answers to many questions, and is often a point of departure for primary research.

### **5.3.1 INTERNAL AND EXTERNAL SECONDARY DATA**

For the purpose of this research, the focus is on analysis of publications and articles, which deal with Eskom with relevance to stakeholders' perceptions of its communication culture and services to the public. External secondary data includes all data which already exists. This type of data has been 'produced' by another party. In answering the research question, the secondary data includes articles that were published on Eskom, and that were collected from the three mentioned South African newspapers.

The (textual) materials from the reports or articles of the indicated newspapers were consulted and studied. The various frequencies were identified and in turn grouped into categories, followed by comprehensive discussion and analysis.

### **5.4 QUALITATIVE AND QUANTITATIVE DATA**

Quantitative data was collected by research materials that could be expressed numerically or classified by some statistical values. This class of data is often thought of as being more objective and scientific than its qualitative counterpart and is, therefore, associated with more traditional scientific approaches to research. The dichotomy between qualitative and quantitative research essentially stems from the notions of what constitutes 'scientific,' as opposed to 'non-scientific' research methodologies (Crowther & Lancaster, 2009: 75). Blaikie (2004: 18) states that social science data is produced in two main forms, namely in *numbers* or in *words*. This distinction is usually referred to as either *quantitative* or *qualitative*. He further opines that there seems to be a common belief among many

researchers that numerical data is required in scientific research to ensure objective and accurate results. According to him, data in words tend to be regarded as being not only less precise, but also less reliable. Hence, for reliability and strong validity, this research collected primary and secondary data, and applied qualitative and quantitative processes of data collection and analysis.

Quantitative data is a category of data types that relates to the extent to which data is number-based. It is rather conventional to differentiate between *quantitative* and *qualitative* data. Qualitative data is data in the form of descriptive accounts of observations or data, which is classified by type. It is the data that cannot be subjected to quantitative or numerical analysis. Therefore, it is associated with phenomena that cannot be, or is difficult to quantify. Increasingly though, it is recognized that there is a lot of overlap between qualitative and quantitative data in research techniques. Each type of data can make valuable contributions towards the development of knowledge or to solve specific problems.

### **5.5 RESEARCH DATA PROCESSING ON CONTENT ANALYSIS**

Methods of data collection are always required once the research strategy has been selected. Data collection methods include a variety of techniques: sampling, secondary data, observation, interviews and questionnaires (Biggam, 2008: 101). Biggam further states that researchers may use more than one technique to collect data. He argues that using more than one technique allows *you* to *triangulate* results. This is when a research uses different sources of data to obtain a range of perspectives (particularly useful in qualitative research), and hence achieve a more rounded picture or result. Henn *et al.*, (2009: 20-21) expound that triangulation, as a multi-method in its increasing advocacy, triumphs over single method data collection, since it helps to facilitate a more valid and holistic picture of society than results that are acquired by sticking to only one set of methods.

### **5.6 PLANNING SECONDARY DATA COLLECTION**

This research consists of content analysis in its qualitative definition and description, interviews and a study of Eskom's communication with stakeholders. It equally employed numerical and thematic categorisations of the constructs and variables of different words and phrases that were used in reports of Eskom.

- The first question was 'w h a t t o l o o k f o r.' In all data collection, particularly in secondary data collection, the researcher must determine what to look for. The answer serves to shape all that follows, including types of data, source, and so on.
- Having identified what to look for in secondary data, the next consideration in secondary data collection, according to Crowther and Lancaster (2009: 75), citing Jankowicz's framework, is 'w h e r e t o l o o k.' In order to achieve this, an internet search on South African media websites for news content on Eskom was carried out. Reports were collected in the form of data from the *Cape Times*, the *Mail & Guardian* and the *City Press* newspapers. A vast amount of data is stored on the web and is easily and quickly accessed. Web-based data is sensitive in collection and usage, therefore, to filter any possible setback, a choice of newspaper (based on fame and reliability of news reports) was made to confirm authenticity and details of report, because it is relatively easy for 'anyone' to place information on the website.
- In the planning of primary data collection, the third question to consider is 'h o w t o l o o k.' In this framework (conducting research) there is the consciousness to distinguish relevant data from entire information. Hence, secondary data is captured (which could lead to credible findings). There was clarity of purpose in the research objective to exploit and explore variables that are contained in the news and articles of Eskom.

## **5.7 DISCUSSIONS ON NEWSPAPER DATA**

The discussions on the data from the newspaper reports related to manifest content – the frequencies of words and phrases that make tangible narratives, which point to the titles of the articles. The manifest content was also the key words of core message(s) of the entire report, as they affect Eskom's stakeholders. The newspapers were studied repeatedly at weekly intervals to ensure thorough measurements.



## 5.7.1 DISCUSSIONS ON NEWSPAPER 1: MAIL & GUARDIAN

**Table (Article) 1:** Eskom's R12m ticket splurge, 1-July-2010.

See Appendix C, page 137.

**Reporter:** Ilham Rawoot.

**Collective report remark:** Negative towards Eskom.

The reports of the *Mail & Guardian* are investigative in nature, as highlighted earlier in this study. The saga that greeted the World Cup tickets that were bought for Eskom's senior staff members and their 'allies' as loyalty gifts, provoked the stakeholders. The investigating media reported that the objective was to extend a hand of solidarity and appreciation to friends and business associates of Eskom. While the organisation struggled with its myriad of stakeholders' satisfaction challenges, the media as stakeholders regarded this 'hospitality' as a misplaced priority. With looming issues, which ranged from wage negotiations, industrial strikes, 'troubled' Eskom, to blackouts and loans, it was expected that Eskom, as an organisation, should be proactive in dealing with these challenges rather than being spendthrift with World Cup tickets. The aims and objectives of such an exercise needed proper and effective communication with all stakeholders.

**Table (Article) 2:** Eskom wastes taxpayers' money, 8-July-2010.

See Appendix C, page 138.

**Reporter:** David Ross.

**Collective report remark:** Negative towards Eskom.

Media reports on Eskom's expenses on football match tickets during the World Cup manifested perceptions of financial misappropriation and managerial insensitivity. Amidst rising costs of electricity and loans from banks, Eskom was reported to have 'wasted' money by purchasing football tickets for their 'classified' clients. This was one of the obvious ways that the organisation's spending attitude (as reported) came into the spotlight. This whole 'wastage' impacted negatively on the stakeholders (the tax payers), according to media reports.

**Table (Article) 3: The highest-paid workers, 8-July-2010.**

*See Appendix C, page 139.*

**Reporter:** Lynley Donnelly.

**Collective report remark:** Negative towards Eskom.

On the 8<sup>th</sup> July 2010 the *Mail & Guardian* reported two stories on Eskom. Both stories were negative with each containing financial misappropriation messages. The senior staff management of Eskom was reported to be among the highest paid corporation workers in South Africa. This fact appears paradoxical in the face of prevailing issues that negatively affect the stakeholders. With demands from workers and strike threats, Eskom was expected to effectively engage with its stakeholders on salary improvement and tariff considerations. It was rather shocking to the stakeholders that in a near-crisis situation of this nature, the organisation still indulged in increments for its senior staff salaries, while disregarding stakeholders' organisational perceptions.

**Table (Article) 4: Praying for plan 'A' to succeed , 15-July-2010.**

*See Appendix C, page 140.*

**Reporter:** Kevin Davie.

**Collective report remark:** Negative towards Eskom.

For the most part of investigative reporting on Eskom, financial issues were highlighted. This speaks volumes in the face of stakeholder dissatisfaction regarding service delivery. The organisation's resolve for an alternative to electricity generation and delivery became a controversial project. A funding crisis was mentioned the highest in this report. Party politics equally played an inhibiting role towards project executions. A closer look at this report showed the contrast between financial issues, employee strike threats and projects. For organisational communication to be effective and dynamic, it should be tailored towards stimulating and retaining stakeholder loyalty.

**Table (Article) 5:** Eskom's plan to control market, 12-August-2010.

See Appendix C, page 141.

**Reporter:** Lynley Donnelly.

**Collective report remark:** Negative towards Eskom.

Diversification of service provisions and competitiveness are integral elements of healthy economic growth and development. Suffice to say that much has been said concerning the establishment of a substitute organisation in a conscious effort to break the monopoly of Eskom as the sole provider of South Africa's electricity. The determination of tariffs has been Eskom's absolute prerogative. In this article, Eskom's design to continue to dominate the electricity power sector was both glaring and subversive. The Independent Power Producers were introduced as a substitute but could not adequately match Eskom. From the excerpts of the interview with Eskom staff, the Independent Power Producers were forced out of market by the challenging price of electricity, which, according to Eskom, sells at a relatively minimal rate compared to the cost of electricity generation.

**Table (Article) 6:** Nuclear research progresses, 14-October-2010.

See Appendix C, page 142.

**Reporter:** (Innovations).

**Collective report remark:** Positive towards Eskom.

For about two months (August – October, 2010) the *Mail & Guardian* newspaper did not publish any reports on Eskom. Having had many investigations into Eskom's financial administration, the *Mail & Guardian* presented in this report the research progress on Nuclear energy. Coal has been Eskom's only source of electricity. This has clearly given rise to numerous criticisms by the stakeholders, ranging from high tariffs to environmental challenges. Strategies were then established for nuclear research that would make provisions for nuclear energy as an alternative to coal.

**Table (Article) 7: Waiting to flip the switch**, 21-October-2010.

See Appendix C, page 143.

**Reporter:** (Critical thinking forum).

**Collective report remark:** Positive towards Eskom.

With continuous negative reports about Eskom's activities and how they impact on the stakeholders, a change of power generation was initiated as an intervention to the persistent challenge in electricity supply. Solar and wind energy were the apparent alternative to hydrocarbon and coal energy. It was also reported that this giant move would create exceptional skills and jobs towards the economy's growth, bringing about more investors and more affordable electricity. Every stakeholder wants to experience positive change that will stimulate confidence and loyalty in the long run.

**Table (Article) 8: Switched on and turned off**, 21-October-2010.

See Appendix C, page 144.

**Reporter:** Kevin Devie.

**Collective report remark:** Negative towards Eskom.

The 'switch on and turned off' Eskom campaign, as reported by the *Mail & Guardian*, was seen by the stakeholders as Eskom's escape route. In this article electricity tariff had the chunk of the report with twenty occurrences. Black-outs and power crises seemed imminent at the time, with emphasis on the resolve of Eskom to adopt the '*switch on and turned off*' exercise to conserve energy. Political interference with Eskom's activities was also a challenge for the smooth running of organisational programmes towards the satisfaction of stakeholders.

**Table (Article) 9: Eskom's early Xmas gift**, 4-November-2010.

See Appendix C, page 145.

**Reporter:** Lynley Donnelly.

**Collective report remark:** Positive towards Eskom.

As the end-of-year approached, Eskom was reported to have made plans and efforts to keep electricity supply constant. This was captioned as a 'Xmas gift.' With constructs such as 'energy security' and 'building programme,' Eskom (set to put smiles on the faces of its teeming stakeholders) purported that the media, as stakeholders, is not all out to always publish negative reports about Eskom. They also reported likely positive messages towards

service delivery improvement. The loyalty of the public is naturally stimulated and sustained when there is a guarantee of adequate service delivery.

**Table (Article) 10: Infrastructure development is critical**, 18-November-2010.

*See Appendix C, page 145.*

**Reporter:** Chris Yelland

**Collective report remark:** Positive towards Eskom.

Eskom is confronted with various challenges as a service delivery organisation, which range from financial policies, manifestation of managerial incompetency and power generation and supply inadequacies. In this article the media reported that infrastructural development is a major factor towards the realization of a smooth service delivery system. Recommendations and plans were made concerning capacity expansion of gas turbines and wind energy that would eventually increase power output. The stakeholders want to know if and when the organisation that they have stakes in is thriving. Stakeholder loyalty is largely influenced by the communication of an organisation's advancement and growth. Moreover, the stakeholders equally desire to see positive changes in adhering to the recommendations.

**Table (Article) 11: Eskom's R20 billion fillip to come from budget**, 18-November-2010.

*See Appendix C, page 146.*

**Reporter:** Lynley Donnelly.

**Collective report remark:** Neutral towards Eskom.

Eskom, as a service delivery corporation, receives some budgetary allocations from the government for infrastructure expansion and capital growth. The *Mail & Guardian* reported a 20 billion rand boost to Eskom to aid its capital projects. As this report is neither a negative nor an outright positive one, it stands to expound the monetary injection towards Eskom's capital and infrastructural build-up. With such a report and information, the stakeholders would expect that Eskom uses the money judiciously towards better service delivery. The dynamics of effective organisational communication would demand that Eskom directs the usage of resources appropriately, whilst offering improved services to its stakeholders. Also, the organisation accounts for its financial activities to its stakeholders.

**Table (Article) 12: Eskom's billions funding mystery, 25-November-2010.**

*See Appendix C, page 146.*

**Reporter:** Lynley Donnelly.

**Collective report remark:** Negative towards Eskom.

Many reports have been published on Eskom's scandalous involvement in financial misappropriation. This article cited a record high of twenty-eight counts of cash and money issues, which led to budget deficits. The headline was disturbing, and left a feeling of unease in the minds of stakeholders, considering the fact that Eskom charges them high tariffs to keep the power 'switched on.' Without adequate communication, reports of this kind are a threat to stakeholder loyalty. An analysis of this newspaper report clearly revealed the reactions of stakeholders towards tariff hikes.

**Table (Article) 13: Maroga judgement is a lesson in how to run public enterprises,**

*22-December-2010. See Appendix C, page 147.*

**Reporter:** Nic Dawes.

**Collective report remark:** Negative towards Eskom.

In this article, the *Mail & Guardian*, in its investigation, reported that the removed Eskom boss made a request of 85 million rand compensation for the manner in which he was dismissed. The judgement ruled against him. The financial activities of the public enterprise's chief were reported as inappropriate in bonus disbursements and allowances at the expense of the stakeholders. This punctuated immense provocation from the stakeholders. Admittedly, they (the stakeholders) are never considered in all of these actions and activities, according to the newspaper reports. Organisational communication hence suffers and stakeholder loyalty is thwarted.

**Table (Article) 14: Eskom will make do without R20-billion, 10-March-2011.**

*See Appendix C, page 147.*

**Reporter:** Lynley Donnelly.

**Collective report remark:** Positive towards Eskom.

Eskom's building projects plan received a boost from the government's budget and loan guarantees. The treasury department was reported to be in agreement with the World Bank in ensuring that loans and credit facilities are granted to Eskom to fund domestic markets.

The statistics of 'funding' and the 'World Bank' dominated this article, bringing a ray of hope to the stakeholders. However, the rhetorical question perhaps is 'who pays in the end?' The stakeholders are always at the lowest notch of the ladder (receiving end of policies and decisions), hence the palpable anticipation of future tariff increments. The dynamics of communication would require a long term explanation of the implications of organisational financial involvements to its stakeholders nevertheless.

**Table (Article) 15: Eskom wants enforced energy savings, 24-March-2011.**

*See Appendix C, page 148.*

**Reporter:** Lynley Donnelly

**Collective report remark:** Negative towards Eskom.

In the article before this, which was published on the 10<sup>th</sup> of March 2011, Eskom was reported to have granted funding to its building projects to assuage its electricity challenges. However, in the space of fourteen days (24<sup>th</sup> March 2011), a contrasting article was published to the chagrin of the stakeholders, as enforced energy saving and 'punitive tariffs' were two critical factors that caused dismay and disenchantment in the minds of the stakeholders. The media (as stakeholders) equally expect Eskom to provide stakeholders with a long term communication plan and projection. An organisational communication plan is a tool of public relations practice. For organisational communication to thrive and stimulate stakeholder loyalty, there is a need for it to be dynamic, responsive, articulated and geared towards business growth, whilst enhancing stakeholders' sense of belonging and respect.

**Table (Article) 16: Power plant blast threatens supply, 24-March-2011.**

*See Appendix C, page 148.*

**Reporter:** Lynley Donnelly.

**Collective report remark:** Negative towards Eskom.

The two negative reports on Eskom, which was published on the 24<sup>th</sup> March 2011 stirred apprehension and dismay (according to the article) towards the organisation. Following the chronology of events on the 10<sup>th</sup> of March 2011, the *Mail & Guardian* reported that Eskom's building projects that targeted expansion of its electricity grid received a big funding boost, which subsequently brought about incidences of enforcing energy savings and '*power plant blast threatening supply.*' In the investigation of the *Mail & Guardian*, the fact about what

transpired was captured and published. One of the turbine units was badly damaged in the course of routine maintenance, which caused malfunctioning that led to less productivity. The crisis was likely to have a severe impact on the reliability of Eskom's operations, which largely pointed to its monopoly in electricity generation and supply. Effective organisational communication calls for transparency, as stakeholder loyalty can be inspired and consequently maintained in this way.

**Article (Table) 17: Pictures of damaged Duvha generator tell a thousand words about operator error**, 24-March-2011. *See Appendix C, page 149.*

**Reporter:** Lynley Donnelly.

**Collective report remark:** Negative towards Eskom.

A third negative story about the organisation was published on the same date - 24<sup>th</sup> March 2011 – and called for stakeholders' apprehension. The photographs of the damaged station that was posted on the Internet via Facebook caught the attention of the stakeholders. In defence, Eskom had to release a statement that it was investigating the matter. Proactive communication is a core value of the dynamics of effective organisational communication. The stakeholders (particularly the media) always have means of obtaining truths and facts about an organisation's activities. Therefore, it stands to reason in the spirit of corporate communication culture, that Eskom would rather be proactive than reactive in times of crisis and operational mishaps. They should not wait to be criticised before they communicate with stakeholders.

**Table (Article) 18: Eskom in costly rights bungle**, 7-April-2011.

*See Appendix C, page 149.*

**Reporter:** Lynley Donnelly.

**Collective report remark:** Negative towards Eskom.

The move by Eskom towards being re-instated as owners of a coal mine, which it once owned raised stakeholders' curiosity. The media reported that the negotiations had become heated when it was apparent that Eskom wanted to regain ownership of a mine that it had sold because more operational costs had been incurred in the transaction activities of coal supply from the mine in question to Eskom's stations. The *Mail & Guardian* referred to Eskom's decision in this bid as 'precarious,' according to the report, and left the stakeholders with a perception that this act was a somewhat corrupt practice. The reasons



of selling a coal mine and negotiating to buy it back after some years may not be justified to the stakeholders. The costs of all the negotiating activities were overtly 'forwarded' to the eventual stakeholders who were then 'forced' to pay more in electricity tariffs. Effective organisational communication was subverted.

**Table (Article) 19: Eskom needs help to keep the lights on, 20-April-2011.**

*See Appendix C, page 150.*

**Reporter:** Lisa Steyn.

**Collective report remark:** Positive towards Eskom.

Eskom pledged to keep lights on with the investment of 1 billion rand into capital and recurrent projects and expenditures. This came perhaps as a cushioning strategy to the turbulent and negative stories that had greeted the organisation in the couple of media stories before this report. Eskom promised that it would not apply the load shedding of electricity supply again, as this option had been lamented by the stakeholders, according to the newspaper report. This newspaper article addressed the expectations of the stakeholders (towards stimulating their loyalty).

**Table (Article) 20: Eskom feels the cold, 13-May-2011.**

*See Appendix C, page 151.*

**Reporter:** Lynley Donnelly.

**Collective report remark:** Neutral towards Eskom.

In this article Eskom reportedly 'warned' the stakeholders regarding the usage and demand of electricity. 'Electricity demand' and 'installed capacity' recorded the highest frequencies. This report came on the threshold of the 2011 winter when electricity demand was at its peak. Though effective organisational communication demands a proactive approach to information dissemination, efficient organisational operations can be deemed equally highly necessary towards the activation of stakeholder loyalty. The stakeholders expect better service delivery, especially judging from the initial news on the loans that Eskom obtained for infrastructural development and project expansion.

**Table (Article) 21: Solving the power issue, 2-June-2011.**

*See Appendix C, page 152.*

**Reporter:** Distinguished Young Black Researcher.

**Collective report remark:** Positive towards Eskom.

This report was about the credible impact that was made by a senior lecturer and researcher at the University of Cape Town towards Eskom's electricity challenge. His contribution related to the advancement of renewable energy systems and industrial energy efficiency. His project was targeted towards wind generators. This project was aimed at energy generation efficiency and sustainability. Eskom's stakeholders would expect ground-breaking minds like this researcher to form the strategic engine room of Eskom towards building an efficient power generation and distribution organisation. With 'energy savings' and 'efficiency' recording the highest in content count, this report underscores the essence of a positive oriented organisation in its communication dynamics, which attracts stakeholders' loyalty.

**Article (Table) 22: Green energy roll-out stalled, 2-June-2011.**

*See Appendix C, page 153.*

**Reporter:** Lynley Donnelly.

**Collective report remark:** Negative towards Eskom.

With '*unfavourable response*' having the highest construct or *unit content* reaching a high count of 15, this report raised negativity yet again regarding Eskom's incompetence towards diversification of energy source and supply. Despite stakeholders' desires for diversified means to obtain electricity, Eskom did not make this happen, according to the report. Following 'unfavourable response', was 'procurement' on the frequency table with a phrasal count of 10. Legislation and budget speeches had suggested options of green energy as a means to provide alternative energy sources to stakeholders. The 'stalling' of this exercise by Eskom can mitigate stakeholder satisfaction and eventual loyalty.

**Article (Table) 23: New parastatal chairs named amid confusion, 16-June-2011.**

*See Appendix C, page 154.*

**Reporter:** Mail & Guardian Reporters.

**Collective report remark:** Negative towards Eskom.

The 'scramble' for positions on Eskom's board and the subsequent decision not to speak to the stakeholders about a change of board members was a corporate communication flaw. Board dissolutions and appointments should have a guiding and an established procedural approach. As a corporation and parastatal of government whose core responsibility it is to render an essential service to the citizenry, it is expected that the organisation would be accountable in its mandate. Effective organisational communication defines the policies, tenets, scope and limitations of any information generation and dissemination. Therefore, for Eskom to 'decline to comment,' appears to be a breach of responsible and responsive management. The stakeholders yearn for information on issues and circumstances instead of treating their concerns with silence.

**Article (Table) 24: Row over Koeberg contract, 16-June-2011.**

*See Appendix C, page 155.*

**Reporter:** Lynley Donnelly.

**Collective report remark:** Negative towards Eskom.

The investigative reporting of the *Mail & Guardian* featured three coherent stories on Eskom on the same publication namely, 16<sup>th</sup> June 2011. The articles were all negative towards Eskom. The stories revealed that the reason for the impromptu change of board members was as a result of the discovered 'secret' replacement and upgrading of the Koeberg nuclear station at a cost of 250 million dollars, according to the newspaper report. Accountability and transparency were negated. The outcry of inadequate funding, which resulted in loans and World Bank borrowings, became apparently unjustified. The dynamics of organisational communication towards building trust and loyalty was neglected. The communication was literally destroyed. Stakeholders felt that they were lied to. In the end, tax payers (stakeholders) would bear the cost of electricity tariffs at the annual 16% increment, as projected by Eskom in the coming years.

**Article (Table) 25: Gigaba wields the axe, 16-June-2011.**

*See Appendix C, page 156.*

**Reporter:** Lynley Donnelly.

**Collective report remark:** Negative towards Eskom.

This is the third negative report on Eskom in a row, which was published on the 16<sup>th</sup> of June 2011. It culminated in government's confirmation of the dismissal of eight out of the ten non-executive board members. The issue ranged from corruption to a leadership crisis, which government perceived as unhealthy for the system, according to news reports. Discussions and questions were 'rebuffed' when demanded by the media. Eskom was yet again identified as an organisation that would not communicate with its stakeholders (particularly on request).

**Article (Table) 26: Timing of Eskom shake-up questioned, 23-June-2011.**

*See Appendix C, page 157.*

**Reporter:** Lynley Donnelly.

**Collective report remark:** Negative towards Eskom.

The stakeholders were not informed about the reasons for reshuffling Eskom's board of directors. Though investigations of the *Mail & Guardian* brought about some insight to the public, it remained critical that the organisation did not issue a statement in this regard. With issues like 'power crisis' and 'clouds of uncertainties', it became clear that effective communication was lacking and the stakeholders once again must felt that Eskom could not be trusted.

## **5.7.2 DISCUSSIONS ON NEWSPAPER 2: CITY PRESS**

**Table (Article) 1: How to make Zumafesto a reality, 1-August-2010.**

*See Appendix C, page 158.*

**Reporter:** Staff writer.

**Collective report remark:** Negative towards Eskom.

The *City Press* reported on the political implications of the title of this story. Though 'public servants' counted the highest, the message was, however, on cabinet's lavishness, millionaire ministers and the allowance increments of senior executives. Trained talents

that would have added value to Eskom's professional resource capital and manpower productivity emigrated overseas owing to the 'Zumafesto' of the political leadership. It was quite worrisome to the stakeholders that political interference was implicated in Eskom's operations. The report highlighted wastage on the part of the government towards 'unstrategic' spending and capital projects.

**Table (Article) 2: Execs rake in the cash, 19-September-2010.**

*See Appendix C, page 159.*

**Reporter:** Sikonathi Mantshantsha.

**Collective report remark:** Negative towards Eskom.

Eskom was reported to have paid its executive directors millions of rands in bonuses and salaries over a period of one year in the face of an economic recession and industrial actions over wage re-considerations. This did not go down well with the stakeholders, as electricity tariffs were simultaneously escalating. According to Eskom's pledge to stakeholder responsibility (see Chapter 4, case study), the stakeholders would expect that if the organisation made so much profit, it would not apply punitive tariff hikes on electricity costs. For any organisational communication to be effective, its financial statements and reports should be accessible to the stakeholders showing its profits and budget. This transparency stimulates loyalty (Soman & N-Marandi, 2010: 173).

**Table (Article) 3: Eskom sound load shedding alarm, 9-June-2011.**

*See Appendix C, page 160.*

**Reporter:** Sake24.

**Collective report remark:** Negative towards Eskom.

According to the report, a strong warning of load shedding brought worrying concerns to Eskom's stakeholders. According to the organisation's chief executive officer, this was owing to increased pressure on electricity demands. This notice may have had information justification, but with the stakeholders' awareness of the funding and project sponsorship by government, the notice of load shedding was greeted with disappointment. The perception of stakeholders would include smooth service deliveries from capital projects in contrast to bonuses and huge salaries of senior executives. Any negative story on an organisation is likely to discount stakeholder loyalty.

**TABLE (Article) 4: Electricity supply gets a big shock, 27-March-2011.**

*See Appendix C, page 160.*

**Reporter:** Johan Eybers.

**Collective report remark:** Negative towards Eskom.

According to the *City Press*, the 'shock' that Eskom received was consequent to the series of operational errors, which cost the organisation some 3 billion rand of taxpayers' money. Inadvertently, this led to a shortage of power for stakeholders. A close observation of the units of constructs of this article revealed the attendant negative descriptions of Eskom's act. It was clear that a mistake that occurred during routine maintenance caused a breakdown of the power stations. Like in the earlier newspaper reports, Eskom did not release a press statement as means for damage control or image laundry. Yet again, non-disclosure of organisational information to stakeholders threatened communication dynamics and loyalty.

**TABLE (Article) 5: Sparks fly over Eskom 'inside' deal, 24-April-2011.**

*See Appendix C, page 161.*

**Reporter:** Jacques Dommissie.

**Collective report remark:** Negative towards Eskom.

The involvement of Eskom executives in the corrupt award of the organisation's contract was published. The value of the deals was 65 million rand. Court rulings followed, but did not come to a conclusive end. Corruption caused the organisation numerous losses in financial value and electricity generation and supply to its stakeholders. This caused unhappiness and dissatisfaction for stakeholders, particularly when they are made to pay more tariffs for electricity.

**TABLE (Article) 6: No load shedding, but power is tight, 8-May-2011.**

*See Appendix C, page 162.*

**Reporter:** Erna Van Wyk.

**Collective report remark:** Neutral towards Eskom.

With the high increase in electricity demand, Eskom advised stakeholders to use electricity 'sparsely.' Load shedding was Eskom's only option to deal with pressure on the electricity grid. This notice apparently brought succour to the stakeholders who were already

becoming apprehensive, judging from load shedding in the past. Organisational communication received a boost since such information gives stakeholders faith in the organisation with which they are dealing. However, proper demographic research would have given Eskom a projection of electricity usage in order to be able to handle energy demand and supply of its ever-increasing stakeholder population. The profits that Eskom make and the loans and grants that they receive assuredly could expand its scope of operations, if properly managed.

**TABLE (Article) 7: Load shedding only as a last resort, 29-May-2011.**

*See Appendix C, page 163.*

**Reporter:** Erna Van Wyk and SAPA.

**Collective report remark:** Negative towards Eskom.

After barely three weeks of Eskom's announcement to its stakeholders that though '*power is tight*' it would not revert to load shedding, the *City Press*, in this article reported that load shedding was considered as a last resort to the prevailing energy challenge. Infrastructural problems and management inefficiency were reported to be Eskom's major bottlenecks, amongst others. Sole dependency on coal and corruption could have thwarted efforts to expand the energy supply chain.

**TABLE (Article) 8: The cost of keeping warm this winter, 29-May-2011.**

*See Appendix C, page 164.*

**Reporters:** Morne Schaap and Rudi Louw.

**Collective report remark:** Neutral towards Eskom.

With increases in electricity demand and usage, Eskom sent out the cost of keeping up with electricity in the winter to its stakeholders. This information probably would be a move in the right direction towards stakeholders' retention and loyalty sustainability. However, operational issues and financial positions should equally be communicated to Eskom's stakeholders. This is necessary for accountability and transparency. Communicating with stakeholders on other issues of concern regarding the organisation is as significant as the information on the cost of keeping electricity during winter.

**TABLE(Article) 9: Inquiry into Kusile station rampage begins, 29-May-2011.**

*See Appendix C, page 164.*

**Reporter:** Sizwe Sama Yende.

**Collective report remark:** Negative towards Eskom.

The *City Press* published three articles on Eskom in the same publication of 29<sup>th</sup> of May, 2011. Two of the three were negative in content and message, while the third was neither – mere information on the cost of keeping power stable for stakeholders. Strike action had commenced in solidarity with workers that would be dismissed following a project's near-completion. This led to the constitution of an inquiry to look into the matter. Properties were damaged as a result of the violent striking workers. Effective organisational communication would essentially draw terms and conditions of employment, which included remunerations and project duration. It can be worrisome when situations become chaotic as a result of defects in communication.

### **5.7.3 DISCUSSIONS ON NEWSPAPER 3: CAPE TIMES**

**Table (Article) 1: Thieves use Eskom drive to rob homes, 15-July-2010.**

*See Appendix C, page 165.*

**Reporter:** Staff writer.

**Collective report remark:** Negative toward Eskom.

Stakeholders (interest groups and public) have developed mistrust in Eskom. Energy and light bulb 'inefficiencies' were translated into ineffective services on the part of stakeholders' perceptions. Perhaps Eskom should have initiated other means of evaluating inefficient bulbs in houses to avoid creating opportunities for thieves in the process. Stakeholders expected effective communication from Eskom in this regard.

**Table (Article) 2: Residents fight nuclear proposal, 19-July-2010.**

*See Appendix C, page 165.*

**Reporter:** Melanie Gosling

**Collective report remark:** Negative towards Eskom.

Stakeholders are clearly worried about the environmental impact as a result of Eskom's activities, according to the newspaper report. Eskom is expected to communicate their



proposals to their various stakeholders concerning their nuclear electricity option, as it is an activity that would endanger the environment. And they should have done this before commencing with the project. Effective organisation communication ensures a two-way flow of information and discussions (see 1.5). This process gives stakeholders some sense of belonging and awareness of presence.

**Table (Article) 3: Feeding frenzy at the parastatal trough, 20-July-2010.**

*See Appendix C, page 166.*

**Reporter:** Saliem Fakir

**Collective report remark:** Negative towards Eskom.

According to the report, stakeholders felt that Eskom is wasteful in spending at their (stakeholders') expense. There may be a perception that Eskom is a political ally of the government. Considering the self-enrichment and 'outrageous' amount of money that is spent on outgoing CEOs and top management staff, it is expected that Eskom could afford to reduce the high tariffs on electricity. Hence, stakeholder loyalty can be compromised.

**Table (Article) 4: City targets cut in electricity subsidy for poor, 29-July-2010.**

*See Appendix C, page 166.*

**Reporters:** Babalo Ndenze and Sibusiso Nkomo.

**Collective report remark:** Negative towards Eskom.

Stakeholders are 'ripped off' in the face of the high costs of electricity tariffs, as reported. The media, as part of Eskom's stakeholders, is disenchanted with the slow pace at which Eskom meets its pledge to 'subsidise' electricity costs. There also seems to be communication issues. Stakeholders expect Eskom to adequately meet its pledges and promises to the 'poor.'

**Table (Article) 5: Darkness beckons, 24-August-2010.**

*See Appendix C, page 167.*

**Reporter:** Hermann Oelsner.

**Collective report remark:** Negative about Eskom.

Stakeholders are angry about the load shedding option as a result of over-stretched resources and capacity. The media constantly reports on issues, which affect the generality

of the public. Effective communication demands that Eskom passes adequate information to its stakeholders concerning energy options, inadequate facilities and a break-down of any part of the electricity grid that could affect the transmission of electricity.

**Table (Article) 6:** Energy experts slam Eskom's stance , 27-August-2010.

*See Appendix C, page 167.*

**Reporter:** Melanie Gosling.

**Collective report remark:** Negative towards Eskom.

Stakeholders regard Eskom's activities as potential threats to the environment. Energy experts, who are also stakeholders, criticise Eskom for continued rises in the costs of electricity, and the sole dependency on coal as a source of electricity generation. The proposal of wind energy as a substitute source for coal has indefinitely remained in the pipeline at the expense of all stakeholders.

Effective communication should be treated and taken seriously, because from the newspaper report, it is clear that it could be a silver thread that holds an organisation and its stakeholders within a relationship.

**Table (Article) 7:** Light at tunnel's end , 5-October-2010.

*See Appendix C, page 168.*

**Reporter:** Dr. Kilian Hagemann.

**Collective report remark:** Neutral about Eskom.

This article presented a promising message as the media revealed Eskom's plans to ensure better service delivery. Private sectors and independent bodies were encouraged to be part of the electricity generation and supply. Besides this invitation, electricity costs remain on the increase, while energy plants and stations become more expensive to maintain. The stakeholders remain in the background with expectant hope for more effective communication concerning Eskom's plans and activities.

**Table (Article) 8: Incentive to keep electricity usage low 'taken away,'** 12-October-2010. *See Appendix C, page 168.*

**Reporter:** Environmental writer.

**Collective report remark:** Negative toward Eskom.

From the interpretation of this report, the stakeholders were disappointed by the removal of electricity incentives. The interviews with the communication staff revealed that free electricity is awarded to the poor who struggle to buy electricity. However, in the response to this trend, the media reported that Eskom was 'blunt' when asked to give reasons for the incentive removal. This could be seen as discourteous to the stakeholders whose satisfaction Eskom should constantly seek to obtain and sustain. Effective organisational communication does not discount transparency, trust and respect for stakeholders.

**Table (Article) 9: More power from Nuclear stations,** 11-November-2010.

*See Appendix C, page 169.*

**Reporter:** Melanie Gosling.

**Collective report remark:** Positive towards Eskom.

The media in the usual culture of fact-finding, reported Eskom's stand to diversify sources of electricity production and generation. Eskom's proposals received support and sponsorship from the government. With radioactive waste and climate change, the building of nuclear stations, nevertheless, is a threat to the environment. Stakeholders expect Eskom to communicate their strategies and plans to curtail the resultant effects of building power nuclear stations. When a project that is supposedly growth-enhancing is greeted with ignominy and disapproval by the stakeholders because of its potential danger, the organisation is expected to go back to the drawing board to reconsider the stakeholders' interpretations and perceptions of their activities and actions.

**Table (Article) 10: 2008 blackout won't happen again - study,** 12-November-2010.

*See Appendix C, page 169.*

**Reporter:** Melanie Gosling.

**Collective report remark:** Positive about Eskom.

The catastrophic and overwhelming power failure of 2008 undoubtedly left an indelible negative impression on the stakeholders. The media report in the displayed table reveals Eskom's efforts to avoid a repeat of the past in spite of high electricity demands and price

increments. The strategies were targeted at economic growth and increase in disposable income. This laudable move was a positive one, as effective organisational communication can play a formidable role in damage control and image management.

**Table (Article) 11: Vested interests in shaping energy plan, 29-November-2010.**

*See Appendix C, page 170.*

**Reporters:** Hilton Trollip and Leonie Joubert.

**Collective report remark:** Neutral towards Eskom.

With phrases such as ‘investment propensity’ and ‘secret meeting,’ the report lies between negative and positive. Eskom is being closely watched by the media and every effort made by the organisation either towards stakeholder satisfaction or negligence in its operational activities, are reported. Attempts to revive the energy production and distribution are of interest to the stakeholders. Effective organisational communication, therefore, advocates proactive strategies to timelessly feed stakeholders with information (Johnson & Chess, 2006: 1405).

**Table (Article) 12: Fuel defect shuts Koeberg, 16-December-2010.**

*See Appendix C, page 171.*

**Reporter:** Melanie Gosling.

**Collective report remark:** Negative towards Eskom.

This article manifested Eskom’s operational negligence. Faulty fuel and reactors were reported to have led to this mishap. Yet the organisation did not take the initiative to do a press release towards image management and effective organisational communication in terms of what really happened. The media, as stakeholders, had to investigate and came up with these findings, which Eskom was not comfortable with. Eventually, an electricity station was shut down to the detriment of the stakeholders. The effect of shutting down a power station would either cause load shedding or an outright black-out, as reported. In the face of incessant increment of electricity tariffs against this backdrop, feelings of disenchantment by stakeholders can discount their loyalty to the organisation as a service provider.

**Table (Article) 13: Dim view**, 11-January-2011.

*See Appendix C, page 172.*

**Reporter:** Environmental writer.

**Collective report remark:** Negative towards Eskom.

In this report, the media placed some contrasts of Eskom's managerial priorities in perspective. With issues related to salary increases, bank loans, World Cup tickets and an electricity crisis and information secrecy, the organisation appeared to be misguided in their decisions. The interpretations of 'borrowing from the World Bank' and 'electricity crisis,' would literally mean that the organisation required operational upgrading. However, it seemed enigmatic that, in the face of economic challenges, Eskom still initiated its executive salary increment. In the interview response of this research, salary increases and bonuses were said to be in alignment with other service-providing government corporations. The stakeholders would bear the impact of these managerial decisions without due communication, according to the newspaper report.

**Table (Article) 14: Salt water dams seen as risk to wild areas**, 1-April-2011.

*See Appendix C, page 173.*

**Reporter:** Melanie Gosling.

**Collective report remark:** Negative towards Eskom.

With continuous negative reports about Eskom, stakeholder loyalty appeared threatened. The media, which is the mouth-piece of other stakeholders with investigative and informative responsibilities, is relatively involved in public articulation. According to the report, the effects of Eskom's operations and activities had become endemic organisational misappropriation. The proposal of the Salt Water Dam, in its bid to expand its electricity grid and supply, was reported as a 'risk' to wildlife (which the nation holds in high value and esteem). This initiative would have negative effects on animals, management and staff members who are equally Eskom's stakeholders.

**Table (Article) 15:** Government's 'U -turn on wind energy rate, 20-June-2011.

See Appendix C, page 174.

**Reporter:** Melanie Gosling.

**Collective report remark:** Neutral towards Eskom.

Any policy, which is made by government either towards the betterment of Eskom's service deliveries or ruling that inhibits any of its activities, has direct or indirect impacts on the stakeholders. Government is reported here to have modified the rate of wind energy. The intention of the government was in line with its supervisory capacity over Eskom's operations. Electricity tariffs have always taken centre stage in most of Eskom's reports. Stakeholder communication demands that information should be given to stakeholders to ensure sustainable loyalty (Green, 2006: 35).

### 5.8 SUMMARY OF ALL THE ARTICLES/REPORTS

Having collated the frequencies of words and phrases - the secondary recording units or constructs in the indicated newspaper reports and articles - remarks were ascribed to each report. The remarks were positive, negative and neutral. A total of 50 reports about Eskom were published by the media (the identified three newspapers) within the chosen period of one year, namely 1<sup>st</sup> July 2010 – 30<sup>th</sup> June 2011.

From this total number of articles, the *Mail & Guardian* reported 26; 7 reports were positive, 17 were negative, and 2 were neutral. The *City Press* newspaper published 9 articles; 7 were negative, while 2 were neutral. There was no positive article. The third newspaper which is the *Cape Times* published a total of 15 reports; 10 were negative, 2 were positive and the rest 3 were neutral.







**Table 5. 1: Total reports of the newspaper articles**

Name of Newspaper	Positive Reports	Negative Reports	Neutral Reports	Number of Reports (Articles)
<i>Mail &amp; Guardian</i>	7	17	2	26
<i>City Press</i>	-	7	2	9
<i>Cape Times</i>	2	10	3	15
<b>TOTAL</b>	<b>9</b>	<b>34</b>	<b>7</b>	<b>50</b>

## 5.9 CODES AND THEMES OF CATEGORIES

For the purpose of adequate analysis of the data, the categories (see *appendix C*) were further constructed into themes to achieve higher level issues and defined discussions of each sub-category. Themes emerged by grouping major categories together.

### A summary of the categories:

	Electricity issues	-	<b>1087</b>
	Financial subjects	-	<b>359</b>
	Technical challenges	-	<b>299</b>
	Economic substances	-	<b>195</b>
	Stakeholders' matters	-	<b>209</b>
	Management concerns	-	<b>314</b>
			<b><u>Total: 2463</u></b>

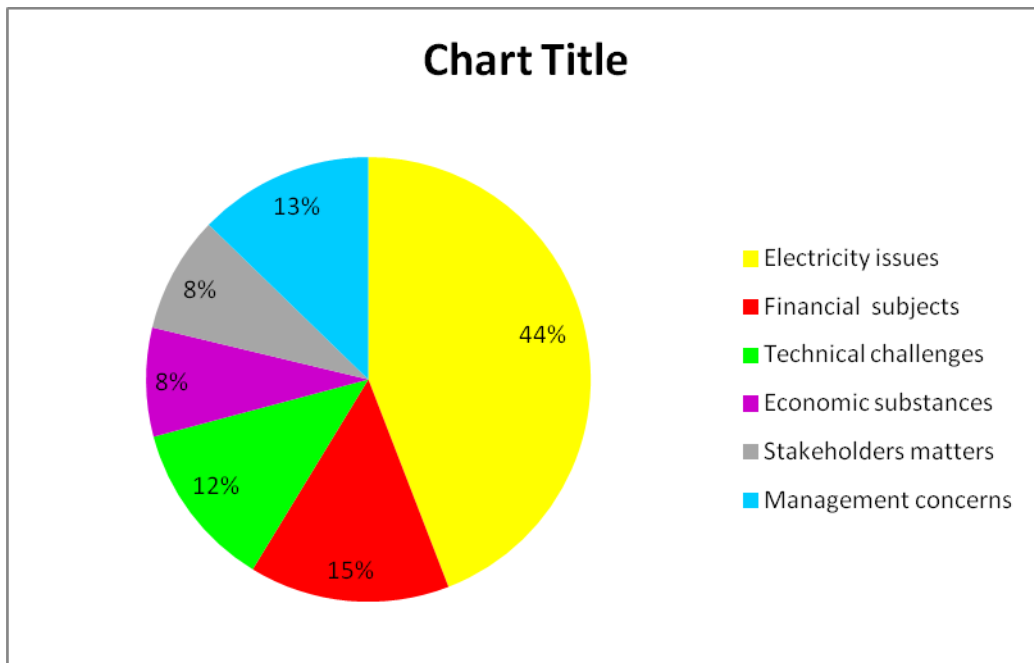


Figure 5. 1: Pie Chart showing the themes of content measurement

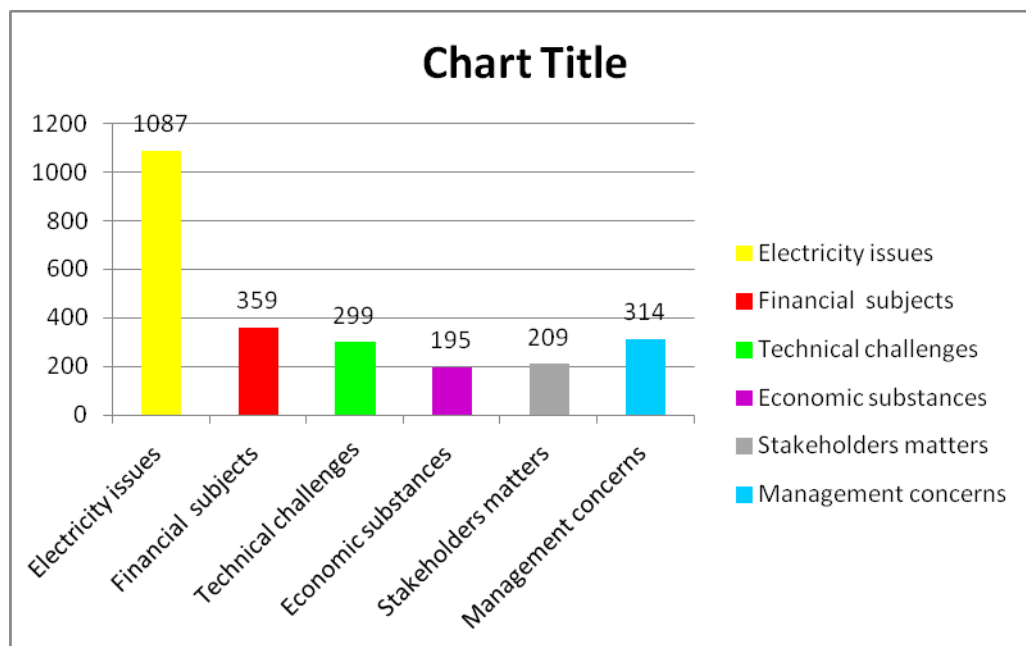


Figure 5. 2: Histogram showing the themes and the cumulative values of the reports



### 5.10 A REFLECTIVE PRESENTATION OF CATEGORIES

In an inductive display of the ongoing reports, all the constructs and frequencies that form the patterns are presented in the figure below. Eskom, which is a case study of this research, is the focus of all the issues in discussion. In a reflection, the figure (below) portrays the organisation as a hub from which all information and reports emanate. This is a collection of summed-up counts, which show the values of categories that were addressed in the media by stakeholders. The squares show the total counts of similar words and phrases (constructs). These constructs were further merged into themes for objective analysis and to track trends.

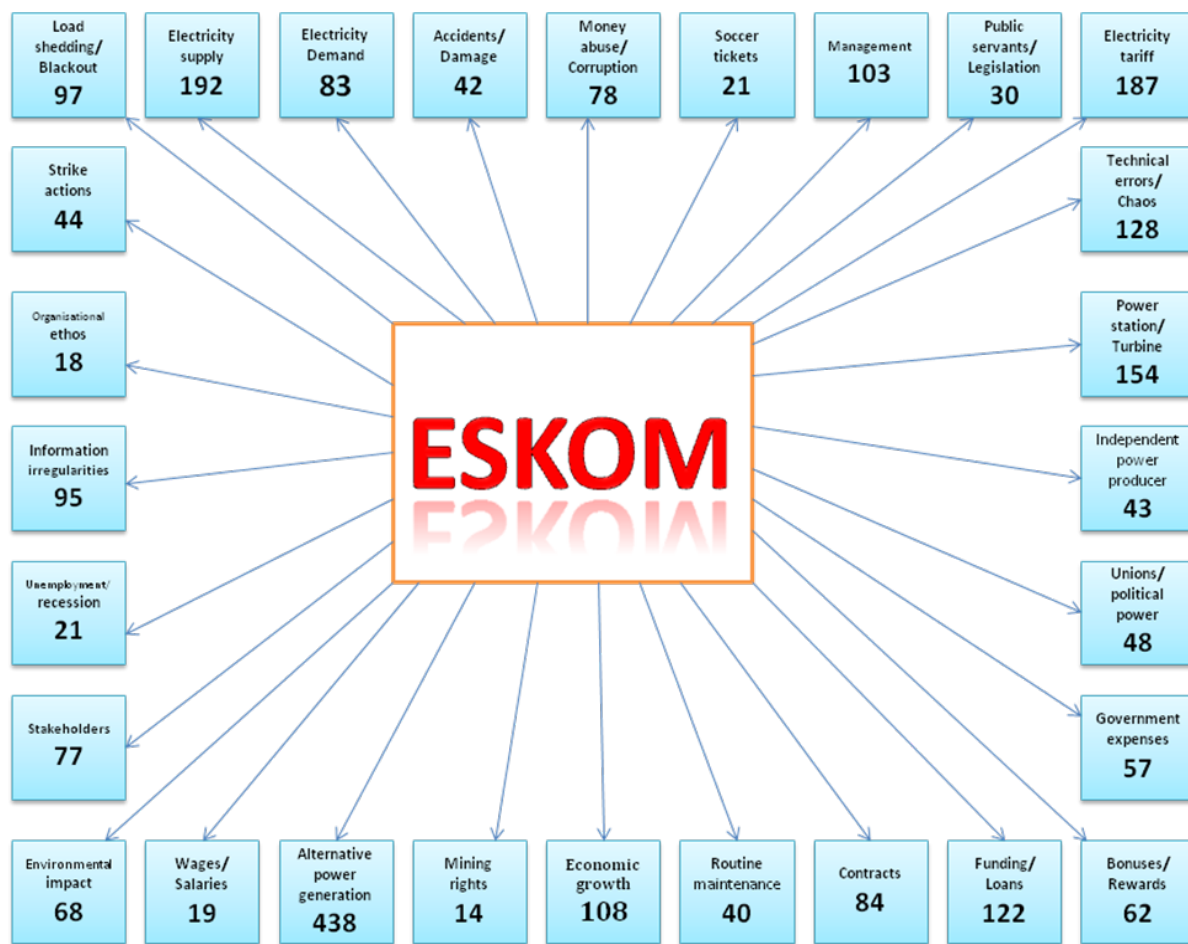


Figure 5. 3: A REFLECTIVE PRESENTATION OF CATEGORIES

Table 5. 2: Tabular display of categories

CATEGORIES	CITY PRESS	MAIL & GUARDIAN	CAPE TIMES	TOTAL VALUE
1. Accidents / damage	15	27	-	42
2. Alternative power generation	36	242	160	438
3. Bonuses/rewards	23	5	34	62
4. Contracts	22	52	10	84
5. Economic growth	12	75	21	108
6. Electricity demand	18	39	26	83
7. Electricity supply	19	116	57	192
8. Electricity tariffs	10	68	109	187
9. Environmental impact	26	16	26	68
10. Funding/loans	-	110	12	122
11. Government expenses	-	53	4	57
12. Independent power producer	6	30	7	43
13. Information irregularities	6	69	20	95
14. Load shedding / blackout	35	35	27	97
15. Management	12	71	20	103
16. Mining rights	-	14	-	14
17. Money abuse / corruption	5	66	7	78
18. Organisational ethos	-	-	18	18
19. Power station / turbine	60	71	23	154
20. Public servants / legislation	14	8	8	30
21. Routine maintenance	10	20	10	40
22. Soccer tickets	1	19	1	21
23. Stakeholders	11	45	21	77
24. Strike actions	20	12	12	44
25. Technical errors / chaos	30	61	37	128
26. Unemployment / recession	12	9	-	21
27. Unions/political power	-	46	2	48
28. Wages/salaries	8	11	-	19

## **5.11 MEASUREMENT AND DISCUSSIONS OF THEMES**

(as shown in Table 5.2.)

The table (5.2) shows the manifest contents of each newspaper reports. The identified newspapers each have various reports and stories relating to the published articles. The manifest contents were further brought under similar headings. In analysing the secondary data from the newspaper reports, themes of different subjects were drawn. These were determined from various manifest contents that fall under the same categories for easy discussion.

### **5.11.1 ELECTRICAL ISSUES**

Under this theme, the discussion revolves around issues pertaining to electricity. Eskom is the corporation, which is responsible for the generation, distribution and supply of electricity. Electricity issues are mentioned the most in all the reports and constructs in the newspaper articles (see Figures 5.1 & 5.2).

#### **1. DYNAMICS OF STAKEHOLDERS' INTEREST - ELECTRICITY DEMAND**

Electricity demand appeared 18 times in the reports of the *Cape Times* newspaper for the year indicated period. The *Mail & Guardian's* reports had the most electricity demand occurrences of 39 times. The *City Press* has 26, bringing the total number to 83 in the frequencies of electricity demands of consumers and stakeholders. This is an integral part of all the electricity issues. The *Cape Times*, in its report of 29 July 2010, revealed the intervention of the Mayor of Cape Town for Eskom to meet the electricity demands of households and consumers, particularly those in the poor communities. Electricity demand is particularly high in the winter, and Eskom should be (as expected by the stakeholders) responsive to the needs of its stakeholders. In the literature survey of this research, marketing, which is discussed as the whole process involved before a consumer obtains any product or services, should be satisfactory (see 2.7). The newspapers reported that electricity demand provokes disenchantment when there is no substantial stakeholder satisfaction. In the event of failure, reasons for such should be effectively communicated to the stakeholders.

#### **2. DYNAMICS OF STAKEHOLDERS INTEREST - ELECTRICITY SUPPLY**

The *Mail & Guardian*, being an investigative newspaper, reported numerous challenges of Eskom towards the supply of adequate electricity to its stakeholders. A total of 116 units of reports were identified; the *Cape Times* reported 19 and the *City Press* 57. For example, on

the 13<sup>th</sup> of May 2011, the *Mail & Guardian* reported that 'Eskom feels the cold.' It went further by stating that the morning peaks were already reaching 35,000 mega watts, which was almost the installed capacity of 40,000 mega watts. It was further stated that the installed capacity would be stretched at the time of maintenance of the facilities. In reconciling the supply of electricity with effective communication, as drawn from the literature review, stakeholders' satisfaction and benefits are brought to the spotlight. This is the underlying essence of the supply of products and services. In reconciling Eskom's stakeholder priorities, as stipulated in their mission statement (4.10), it is expected that Eskom is conscious of the reality of stakeholders' satisfaction in order to stimulate their loyalty.

### **3. DYNAMICS OF STAKEHOLDERS' INTEREST - ELECTRICITY COSTS**

Eskom has earmarked a strategy on how to implement increments in the cost of electricity over a span of three consecutive years. According to the report, this is a bitter pill in the mouth of the stakeholders, as they would have to squeeze out means of getting electricity, particularly during winter. The newspapers reports highlighted this exercise against the backdrop of the 'golden handshake' with the out-going senior executives of Eskom. In the literature survey, cost of products and services were the point of focus in relationship to the prevailing circumstances. Humanity should be applied to business. Stakeholders' purchasing possibility should be considered when fixing the costs of products and services. The literature survey talks about giving business a human face (see 2.7). Therefore, it stands to reason that organisations are expected to consider building loyalty when communicating the cost of goods and services to its stakeholders. Subsidising the cost of electricity obviously would stimulate relief for the stakeholders, whilst effectively communicating the means and approach thereof. From the interview response, Eskom highlighted its resolve to support poor stakeholders who are unable to afford electricity (see 5.12: Q. 16). However, this was never captured by the media.

### **4. DYNAMICS OF STAKEHOLDERS' INTEREST - ALTERNATIVE POWER GENERATION**

In furthering the discussion of electricity issues, the newspapers reported extensively on alternative power generation, and its eventual effect on the electricity grid in demand, supply and price. The sole dependency on coal was challenged. Nuclear power stations that were initiated by Eskom to act as an effective alternative for power generation were

opposed by residents in Jeffreys Bay (the *Cape Times* 19<sup>th</sup> July 2010). Also, wind energy association indicated that wind energy will be a major source of renewable energy, come 2025. It is the stakeholders that bear the brunt of electricity tariffs. In providing a competitive price and environment, it is expected that this drive will be beneficial for them in the long run when alternative means of electricity are explored and made available. This then draws our attention to the issue of building bridges between the stakeholders and the organisation in communicating understanding and support (see 2.9).

## **5. DYNAMICS OF STAKEHOLDERS INTEREST - INDEPENDENT POWER PRODUCER**

There were reports that Independent Power Producers (IPPs) would be created to diversify the monotony of Eskom's electricity challenge (the *Mail & Guardian*: 24<sup>th</sup> March 2011). In reports of the *City Press*, IPP appeared 6 times, while the *Cape Times* reported on it 7 times. However, from the interviews with (see 5.12) Communication and Stakeholder Manager of Eskom, IPPs were invited to provide the electricity needs of the public, but could not adequately cope with operation costs. The interviewees further argued that Eskom is operating at a minimal level with government's financial backing (see 5.12 Q. 14).

## **6. DYNAMICS OF STAKEHOLDERS' INTEREST - POWER STATION / TURBINE**

Reports showed that all Eskom's issues are centred on its power stations and turbines. There were reports that new stations were being built, and the turbines needed a steady volume of water to remain effective in the generation of adequate power. From the emerged secondary data, it was proved that the ideological and information needs of stakeholders are basic ingredients of effective organisational communication (see 2.15). There should be communication with stakeholders in order to have the psychological preparation for any inconvenience that may arise in the power expansion grid.

### **5.11.2 FINANCIAL SUBJECTS**

Financial matters tend to substantially eclipse other reports in the media about Eskom. Contract awards were inappropriate, purchases of World Cup soccer tickets became issues, senior executive bonuses and pay offs were reported to be outrageous, and so on. Though it covered only about 15% of the entire report statistics following electricity-related matters, the newspaper report treated it with much interest and sensitivity.

### **1. DYNAMICS OF STAKEHOLDERS INTEREST - BONUS AND REWARDS**

The *Mail & Guardian* (22 December 2010) reported that “Jacob Maroga demanded 85 million rand in compensation following his messy departure from Eskom...,” while the *City Press* (19<sup>th</sup> September 2010) also corroborated this report by stating that “packages were outrageously excessive in the first place.” The *Cape Times* of 20<sup>th</sup> July 2010 reported that “the pay gap between Eskom’s top management and workers is cavernous...” It is apparent from these reports that there is a need for bonuses and rewards policies of the government to be reviewed and restructured. As seen in the literature review, stakeholders are sensitive with issues, which concern money and spending. Therefore, it stands to reason that they would be treated with concern for sensitivity because they yearn for information on the organisation’s policies and structures of bonuses and rewards (see 2.9 and 5.12 Q. 13).

### **2. DYNAMICS OF STAKEHOLDERS’ INTEREST - FUNDING / LOANS**

The *Mail & Guardian*’s report of 25<sup>th</sup> November 2010 informed the public of the government’s funding of 20 billion rand to expand and sustain Eskom’s electricity grid. On the 4<sup>th</sup> November 2010 the *Mail & Guardian* (in the article) also revealed that “despite the additional loan of 350 billion rand, the power utility warned that South Africa still faces power cut especially between now and 2012.” It was also reported that the World Bank granted Eskom loans for its long term plan of constant electricity supply and management. These loans should be serviced. In the face of loans from within and outside the country, it would almost seem incongruous and ridiculous (according to the newspaper reports) that outrageous amounts of money were squandered on the senior executives in the form of bonuses and rewards, while the stakeholders struggled to come to terms with the high costs of electricity tariffs.

### **3. DYNAMICS OF STAKEHOLDERS’ INTEREST - GOVERNEMENT EXPENSES**

The *Mail & Guardian* (10<sup>th</sup> March 2011) reported government’s provisional budget to facilitate Eskom’s electricity generation distribution and supply. The *City Press* did not have any story on Eskom in relation to government’s expenditure. Eskom, as a state corporation, is partly financed by the government, much like schools and hospitals. Therefore, as cited in the survey of literature (see 2.15), it owes it to its stakeholders to communicate its budgetary allocation and expenditure in the call for transparency and trustworthiness.

#### **4. DYNAMICS OF STAKEHOLDERS INTEREST - CORRUPTION**

The *City Press* article of 24<sup>th</sup> April 2011 revealed the *'inside deal'* within Eskom; "a former Eskom executive's company has scored almost 65 million rand for a contract he was party to awarding to his own business while he was still employed by Eskom." The *Mail & Guardian* of 8<sup>th</sup> July 2010 with the headline "Eskom wastes tax payers' money" revealed the implication of the amount that an average consumer paid for the 'extravagant' spending of Eskom. The literature review of this research explicates stakeholder concerns as a driver of trust in effective communication (see 2.15). Trust cannot be discarded when effective organisational communication is to be achieved.

#### **5. DYNAMICS OF STAKEHOLDERS' INTEREST - SOCCER TICKETS**

The brawl that followed the hospitality tickets, which were obtained by Eskom for its alleged 'building of public confidence,' as explained by the managing director of distribution, was greeted with discontent. This was a period of heated wage negotiations with its workers. The *Mail & Guardian* of 1<sup>st</sup> July 2010 disclosed a whopping amount of 12.6 million rand that was spent on football tickets. Also, this purchase was made four months following the end of Eskom's financial year, where its biggest loss of 9.7 billion rand was recorded. This led to the corporation's request of 27 billion rand in loans from the World Bank. The reason for this ticket project seemed to have no moral justification when juxtaposed with the prevailing circumstances. The stakeholders' predicament was evident in the misplaced priority of a government corporation. The literature survey expounds that organisations should bear in mind practical challenges and ethical content in their communication strategies to their stakeholders (see 2.13).

#### **6. DYNAMICS OF STAKEHOLDERS' INTEREST - WAGES / SALARIES**

The *Mail & Guardian* (8<sup>th</sup> July 2010) reported that the senior executives of Eskom are among the highest paid government workers in South Africa. With a report of this nature, the stakeholders, through information from the media, presented their views with much bewilderment against the backdrop of persistent strikes by related unions and workers. The *Cape Times* reported about the 'golden handshake' that the senior executives receive, regardless of performance index and assessment (20<sup>th</sup> July 2010). In correlation with the conducted interviews, farewell packages are said to be in line with policies and corporation's labour provisions (see 5.12 Q. 12 & 13). The stakeholders whose interest Eskom is supposed to satisfy, should be effectively communicated with.

### **5.11.3 TECHNICAL CHALLENGES**

Eskom is predominantly a technical corporation which is engaged in the business of providing technically generated service to the public in the form of electricity. However, there are quite a number of challenges and engineering issues that have resulted in the breakdown of the electricity supply chain to stakeholders. The media has followed the stories closely and reported them in the following segments.

#### **1. DYNAMICS OF STAKEHOLDERS' INTEREST - ACCIDENTS / DAMAGES**

The *Mail & Guardian*, being an investigative media power house, is prominent in deep follow-up reports as means to present credible articles. With the blasting of Eskom's Duhva power station, electricity supply was truncated, as reported on the 24<sup>th</sup> March 2011. When Eskom was approached for questioning, the newspaper reported that the concerned persons 'did not answer questions directly.' The *City Press* related some of the causes of these accidents to poor management, as reported on the 9<sup>th</sup> January 2011. An ethical public relations exercise suggests a press conference or damage control mechanism to assuage the minds and feelings of the stakeholders. The literature survey elucidates that honesty and timeliness are essential for effective organisational communication (see 2.15).

#### **2. DYNAMICS OF STAKEHOLDERS' INTEREST - LOAD SHEDDING / BLACKOUT**

This issue sent a wave of shock and disenchantment across all strata of stakeholders, as there were no initial warnings and advice. The *Cape Times* of 11<sup>th</sup> January 2011, pointed out imminent causes of power cuts and load shedding. The *City Press* of 9<sup>th</sup> January 2011 equally reported a load shedding alarm by Eskom, because according to them, demand exceeded supply. The *Mail & Guardian* of 21<sup>st</sup> October 2010, with the headline 'switched on and turned off,' described the situation as 'unfortunate.' Most organisations, should learn not to ignore their stakeholders in the line of operational activities (according to literature survey of this research). But in building a strong corporate brand, stakeholder involvement means more than creating focus groups to gather feedback, or to merely deliver good stakeholders' services. Organisations that their branding practices are most admired continually examine ways of involving their brands in the lives of their key stakeholders directly into their branding processes (see 2.13).



### **3. DYNAMICS OF STAKEHOLDERS' INTEREST - ROUTINE MAINTAINANCE**

The *City Press* report of 11<sup>th</sup> January 2011, which had the heading 'Dim view,' revealed the cause of power cuts and power stations break-down owing to maintenance hazards. The *Mail & Guardian's* article of 24<sup>th</sup> March 2011 emphasised the lack of time available to undertake adequate maintenance. This eventually led to a sudden breakdown of facilities. The literature survey on organisational communication establishes that organisations should demonstrate order in all resourceful projects areas. Therefore, it is pertinent that effective organisational communication should embrace effective operations around efficient service deliveries (see 2.3).

### **4. DYNAMICS OF STAKEHOLDERS' INTEREST - TECHNICAL ERRORS**

The *City Press* reported on the 27<sup>th</sup> March 2011 that 'a comedy of errors cost Eskom 3 billion rand and severely compromised the supply of electricity.' The *Mail & Guardian's* report of 24<sup>th</sup> March 2011 presented an accident in the Duvha generator plant, which fuelled speculation of an operation error. The *Cape Times* equally had 37 accident-related words and phrases, which appeared in their reports and articles about technical errors. Eskom is a bureaucratic organisation, which was established to provide electricity (service) to government departments and the public (see 2.10). Therefore, considering this obvious fact, technical errors should be researched and mechanisms should be established to avoid occurrences. This should in turn be communicated effectively to all stakeholders.

#### **5.11.4 ECONOMIC SUBSTANCES**

The newspapers were, however, not disparaging or cynical in the reports that they published for the public about Eskom's activities and operations. They equally reported some vital measures that were undertaken by the organisation towards economic development and growth.

### **1. DYNAMICS OF STAKEHOLDERS' INTEREST - ECONOMIC GROWTH**

The *Mail & Guardian*, as an investigative newspaper, (from all the articles presented statistical findings, the mention of job creation and fiscal policies to a total of 75 counts). The *City Press* and the *Cape Times* have mentions of 12 and 21 in total counts, respectively. The article of 18<sup>th</sup> November 2010 presented infrastructure development as a key to expansion and growth. The literature survey explains that organisations cannot

execute their visions if they cannot communicate it. Therefore, it is important that visions and project initiatives should be communicated to stakeholders by using effective means.

## **2. DYNAMICS OF STAKEHOLDERS' INTEREST - ENVIRONMENTAL IMPACT**

The *Cape Times* reported on 19<sup>th</sup> July 2010 that residents in Jeffreys Bay protested against the introduction of the nuclear proposal hugely owing to the perceived resultant effect on the environment. The nuclear power station project that was greeted with objections was reported to have side effects to the fish farming, with the possibility of water pollution. A broad understanding and application of communication are requirements for effective communication in becoming a critical success factor for businesses. The option of a green environment is a panacea for this challenge, and organisations should communicate this to their stakeholders. Questions were raised about the credibility of Eskom's mission statement (see 4.8) and its true commitment to the environment.

## **3. DYNAMICS OF STAKEHOLDERS' INTEREST - UNEMPLOYMENT / RECESSION**

Unemployment and job losses were reported over the period during the recession as a result of Eskom's insensitivity towards the lopsided allocation and management of funds. The *Mail & Guardian's* article of 8<sup>th</sup> July 2010 had in its report the loss of jobs, resulting from disinvestment. Communication addresses the emotional and motivational needs of its stakeholders (see 2.10).

### **5.11.5 STAKEHOLDER MATTERS**

This research is centred on 'stakeholders' with concerns that relate to the interests of stakeholders, their reactions and yearnings for an adequate sense of effective communication. Stakeholders' matters, as separate themes, and the newspaper reports about stakeholders and implications of all the outcomes are discussed and measured below.

## **1. DYNAMICS OF STAKEHOLDERS' INTEREST - PUBLIC SERVANTS / LEGISLATION**

The *City Press* of 1<sup>st</sup> August 2010 highlighted public servants' dissatisfactions with the services of Eskom and other government corporations. This led to industrial strike action from their workers. Grievances were pointed to the enrichment of the staff in the higher echelons of the management at the expense of the field workers. The *Cape Times* of 20<sup>th</sup> June 2011 reported that 'our legislation does not allow for a fixed price system.' The article emphasised the fact that in spite of the huge amount of money that was earmarked to

expand the business plan in the electricity sector, it still permits private energy producers to compete in the price bidding process. While this was going on, the *Mail & Guardian* of 24<sup>th</sup> March 2011 reported that Eskom's plea preceded the cabinet's announcement in the gazetted final version of the integrated resource plan. This was a strategy by government to conserve power and limit usage by consumers. The literature survey suggests that the function of effective organisational communication should not underplay its social responsibility to its stakeholders (see 2.8).

## **2. DYNAMICS OF STAKEHOLDERS' INTEREST - STAKEHOLDERS**

At a count, 11 frequencies were recorded of 'stakeholder' in the total number of reports by the *City Press*. Eskom's employees, its contractors, its shareholders and all those that have dealings with Eskom and whose activities are affected by their decisions and policies, are their stakeholders. The *Mail & Guardian* stories mentioned stakeholders 45 times, while the *Cape Times* reported it 21 times. In all of these, Eskom's operations, electricity tariffs, policies, relationships and engagements are all 'stakeholder-centric'. This research's literature explains that stakeholders are critically positioned to add value to the relationship with organisations because they are the future of any sustainable business (see 2.11). Organisations monitor the media and conduct press clipping analyses to learn what stakeholders think; they track their public reputation index through opinion surveys. They engage in numerous interactions with stakeholders via government, investors, public and community relations activities. By carefully considering the perception of stakeholders of the organisation, this outreach provides immediate payoff. This is where loyalty is drawn, and its sustenance is entirely built on these dynamics (see 2.13).

In the context of transparency and honesty of Eskom towards its stakeholders, what Eskom pledges to its stakeholders are not in line with the reports of the newspapers and literature survey data (see 4.7 and 5.12 Question 10).

## **3. DYNAMICS OF STAKEHOLDERS' INTEREST - STRIKE ACTIONS**

Most management decisions of Eskom on tariffs and welfare towards its stakeholders are either regarded as unfriendly or punitively motivated, according to the newspaper reports. Industrial actions have been reported to be the most defined path for the expression of disapproval, disenchantment and incongruity. The *City Press* of 1<sup>st</sup> of August 2010 reported that strike actions in South Africa are 'common and legitimate.' The *Cape Times* of 20<sup>th</sup> July

2010 reported that the discrepancy in wages between management and workers will itself leave an unsatisfactory situation, which is one of the myriad causes of strike actions. The *Mail & Guardian* also reported on the 1<sup>st</sup> of July 2010 that Eskom do not place regard on its workers on the ground that they are mere essential-service workers, who do not have rights to embark on strike action(s). The treatment that is unleashed on these workers is interpreted as subversive, hence the incessant reactions to reclaim their dignity. The literature review of this research does not literally mention strike or industrial action. However, it showed that management functions should identify and maintain reflective relationships (see 2.8) because the relationship of organisations and their stakeholders determine their failure or success.

#### **5.11.6 MANAGEMENT CONCERNS**

Every organisation that makes and implements operational policies concerning the dynamics of the business should have a management team. Everyday businesses of organisations and establishments are steered by a team of experts and experienced professionals. Typically, Eskom, as a corporation, has a working management that manages and promotes everything of concern in the organisation. It is pertinent to note, therefore, that its policies and methods of administration reflect in the lives of the stakeholders.

#### **1. DYNAMICS OF STAKEHOLDERS' INTEREST - CONTRACTS**

The *Mail & Guardian's* article reported that 'Eskom feels the cold,' of 13<sup>th</sup> May 2011, and demanded open market participation with Eskom's contracts. The *City Press* of 24<sup>th</sup> April 2011 reported on allegations of contracts being awarded to former Eskom executives. The *Cape Times* reported on the 20<sup>th</sup> of June 2011 that a procurement programme that was awarded to NERSA was no longer feasible. The literature review discussed organisational ethics, transparency and stakeholder trust as essential in mutual satisfaction of the communication needs of stakeholders (see 2.13).

#### **2. DYNAMICS OF STAKEHOLDERS' INTEREST - INFORMATION IRREGULARITIES**

Due to the fact that Eskom's activities are in the public eye, like any other organisation, which is operational in the public sector, it has manifested tendencies of either evading responsibilities in the face of crises, or subverting information from public consumption. The *Mail & Guardian* of 8<sup>th</sup> July 2010 mentioned that Eskom did not reply to their requests for comments concerning the overwhelming salaries that their top executives receive, when

compared to those of operational staff. The *City Press* and the *Cape Times* also captured situations where questions were evaded owing to concealment of facts and figures. Then again the literature survey pinpoints trust, transparency and stakeholder concern in organisation's activities and communication needs. The literature survey argues that the greatest betrayal for communication experts is to use information, a product of communication to deceive stakeholders (see 2.2). Effective communication does not only satisfy stakeholders, it should also be transparent and reliable. The interview responses revealed incongruity with media stakeholder reports (see 5.12 Q. 2).

### **3. DYNAMICS OF STAKEHOLDERS' INTEREST - MANAGEMENT**

Executive staff members are a major part of the management of Eskom. In the article of 19<sup>th</sup> September 2010, the executives were reported to be among the highest paid in government corporations. The *Cape Times* of 20<sup>th</sup> July 2010 reported a similar story, while the *City Press*, with a number of 12 counts, provided a summary of Eskom's management activities when it reported on 29<sup>th</sup> May 2011 that Eskom had bad leadership and management. In reporting, the mention of Eskom was translated into management. The literature survey revealed that organisations should be accountable for all their operations. Responsibility should be taken if any unforeseen circumstance arose. When the organisation's image is tarnished by any event, efforts and strategies should be established for appropriate image restoration. Its success or failures is a management function (see page 2.13).

### **4. DYNAMICS OF STAKEHOLDERS' INTEREST - MINING RIGHTS**

Not much was reported about mining rights. However, the *Mail & Guardian* of 7<sup>th</sup> April 2011 disclosed that the mining rights that Eskom once owned was awarded to Usutu Colliery, a small mining company, which resulted in a 'painful negotiation' to reclaim. This resulted in coal supply problems, while stakeholders had to bear the burden (according to the report).

### **5. DYNAMICS OF STAKEHOLDERS' INTEREST - ORGANISATIONAL ETHOS**

This was only reported by the *Cape Times* on the 20<sup>th</sup> July 2010 and highlighted a compensation scheme towards the care and respect of various contributors (stakeholders) to Eskom's general economic welfare. The argument advocated fairness and equity in the distribution of bonuses and welfare packages. Effective organisational communication would make adequate provisions for its stakeholders, particularly its employees, who are an integral part of the brand custodians. They are brand ambassadors and should be

treated with an appreciable level of recognition. The totality of this forms perception. Effective organisational communication embraces an industrial code of conduct (see 2.12).

## **5.12 SEMI-STRUCTURED INTERVIEWS WITH ESKOM STAFF**

### **1. Who are Eskom's stakeholders and what would 'good communication between Eskom and its stakeholders' mean?**

#### ***Respondent 1***

Service delivery is Eskom's mandate. Eskom's key stakeholders are government DPE, local, provincial, and municipality. Eskom views the general public as its collective stakeholders. Tertiary, industries, Chevron, the agricultural sector, community groups, traditional leaders, non-governmental organisations. Secondly, we have data bases with stakeholder mapping, therefore, anyone who has business dealings with us, is an Eskom stakeholder.

#### ***Respondent 2***

DPE, DOE, all spheres of government, all consumers of electricity and the media.

For us, good communication is about being transparent, open, honest and engaging with stakeholders on a regular basis.

### **2. Having identified these stakeholders, is Eskom constantly informed and updated about what stakeholders think of it as an organisation?**

#### ***Respondent 1***

Yes, Eskom is constantly abreast of its stakeholders' thoughts by communicating via:

- Media relations
- Newsletters
- Media briefings
- Strategic partnerships with stakeholders.

#### ***Respondent 2***

Yes, stakeholders' tracking and monitoring are done on a daily basis.

### **3. How is the Eskom brand managed when it comes to strategic corporate communication?**

#### ***Respondent 1***

- Management – positioning with the brand
- social initiatives
- science and technology
- conscientising schools
- the '49million' campaign initiative
- Eskom as a caring brand operates “*usubuntu*” policy of open friendliness
- Brand Eskom has as its core values, customer satisfaction, safety, “*Ubuntu*” and excellence.

#### ***Respondent 2***

- The Eskom Brand is managed by the Corporate Affairs Division. There is strict compliance with regards to the Corporate ID.
- Brand Association is in line with Eskom’s criteria, and selective in terms of external brand association. Not all events are endorsed by the Eskom Brand. Any strategy must reflect the Eskom Brand positively.

### **4. From the perspective of Eskom as an organisation, how do you see the function of Public Relations?**

#### ***Respondent 1***

Public relations is crucial to position Eskom properly as a brand.

#### ***Respondent 2***

The function of Public Relations is seen as valuable, and is critical to Eskom.

It integrates across all sectors of the Eskom business.

### **5. How do you react to media reports about Eskom?**

#### ***Respondent 1***

Eskom’s media desk gives access to media. They are Eskom’s appointed media spokespeople. The chief executive officer also speaks clearly about media strategy.

## ***Respondent 2***

Within the Western Province we only respond to local issues. We have a clear media mandate. If the issue is national, the national spokesperson will respond. We also have a media desk in place.

As far as possible, we respond to every enquiry within the deadline, therefore, speed and accuracy are key.

### **6. How does Eskom structure its Public Relations programmes and activities to include its stakeholders' interests?**

#### ***Respondent 1***

Eskom engages with programmes on request from various stakeholders. Eskom will not merely partake in any activity, but in those that are for economic growth and development.

#### ***Respondent 2***

- Long gone are the days of unilateral engagements.
- Public Relations programmes are run with the interest of stakeholders in mind. Prior engagements with stakeholders are determined by the needs of stakeholders.
- Eskom uses a structural approach of public relations to handle the concerns of stakeholders.

### **7. What are the effects of Eskom's report planning on its communication in its continuous observation, evaluation and analysis of media coverage?**

#### ***Respondent 1***

Eskom views the media as neutral in their articles and news reporting. For proper observation, there is an appointed media monitoring company that overviews the activities of the media.

#### ***Respondent 2***

Has done media monitoring on a daily basis, and with appointed media monitoring company.



**8. What are Eskom's general brand promotion campaign structures?**

***Respondent 1***

Eskom promotes campaigns on anything regarding conservative key issues that are beneficial to society.

***Respondent 2***

Eskom is a national brand that falls within the Corporate Affairs Division.

**9. Does Eskom distribute newsletters?**

***Respondent 1***

Internally, yes. But externally, through vendors. Newsletters are not always the primary communication channel of Eskom as an organisation.

***Respondent 2***

Yes, customer letters focus externally on current business issues or updates such as 49m, tariff structures and all other newsworthy information impacting the customer. Internal newsletter content also covers business updates and new developments.

**10. Are there any strategies for Eskom to sustain their stakeholder loyalty?**

***Respondent 1***

Eskom's strategies to sustain continued communication are influenced by the needs of their stakeholders.

***Respondent 2***

Ongoing strategies to ensure buy-in, as well as loyalty from stakeholders through regular engagements, supporting certain stakeholder initiatives that are in line with Eskom's criteria of stakeholders' electricity needs.

**11. This research highlights the importance of reputation management for any organisation. How important is reputation management to Eskom?**

***Respondent 1***

Reputation is crucial to Eskom because it goes a long way. Eskom is a sensitive brand because stakeholders' expectations are high. So, expectations are managed.

***Respondent 2***

Through our strategies and different activities, Eskom's main objective is to create a positive reputation.

Eskom's values are embedded in every strategy of being a caring company.

**12. How transparent and open is Eskom with their clients and stakeholders about operational errors that cause problems such as load-shedding? How much do you believe you should share with the public?**

***Respondent 1***

We are transparent. The public has access to everything.

***Respondent 2***

We need to be clear that we have had no load-shed since January 2008. Eskom has put specific plans in place and this is shared regularly with key stakeholders and the public.

Eskom has always been transparent and has open communication with the public.

**13. An analysis of media reports about Eskom shows that the public (stakeholders) is critical of topics such as massive golden handshakes or the parting packages of senior management. The public (as observed in the media coverage), obviously thinks that Eskom spends millions on their own people instead of making plans to reduce tariffs.**

***Respondent 1***

This is not peculiar to Eskom or unique. Other companies do it as well. It is actually in line with structures in place of the system. The mines, PicknPay, Transnet, and so on. Comparing Eskom with other government corporations, it is in line with the policies of the

regulated body. Increases in tariffs are also regulated. However, the public seems not to understand this.

***Respondent 2***

Developing and investing in our employees. We do what any other corporate company would do.

**14. Would you think that Eskom's electricity buyers would still be buying electricity if there was another source, considering the continual hike in electricity prices?**

***Respondent 1***

Our key asset is our employees. 95% of electricity is supplied. IPP – Independent Power Producers – has set up power stations to sell electricity. Eskom sells at the lowest price level. Eskom still uses the best of input for the best of prices.

***Respondent 2***

- Yes, Eskom's customers would still buy electricity from Eskom because it still offers one of the lowest electricity prices.
- We welcome Independent Power Producers (IPP's).
- Even with the tariff increases, our prices are still one of the lowest.
- Also price tariffs are regulated.

**15. The public expects Eskom to be sensitive to their remarks. Does Eskom have a designed feedback channel to know the public's reactions to tariff hikes and its other organisation policies?**

***Respondent 1***

Yes, public participation is welcome. Eskom sends out regular notices for participation. There are contact centres, walk-in centres, and area managers who go out into the field.

***Respondent 2***

Once again, one should remember that electricity prices are regulated by the National Energy Regulator of South Africa, but yes, we do allow for public participation, where views can be directed to the National Energy Regulator of South Africa.

**16. Are there any future plans to reward and acknowledge Eskom's stakeholders by offering free electricity vouchers?**

***Respondent 1***

Eskom grants FBE – Free Basic Electricity – to deserving members of the public. This rewards system is for the poorest of the poor.

***Respondent 2***

- Free basic electricity is in place. Consumers who use a certain amount of electricity a month will qualify.
- Our tariff structure is set to accommodate all energy users. If you use more, you pay more.

That is why we drive energy efficiency.

**17. From the content analysis that was carried out in this study, it clearly seems that the media and the public may have negative perceptions of Eskom, especially because electricity becomes more expensive periodically. To counter this negativity and animosity, would you consider a process of rebranding Eskom entirely?**

***Respondent 1***

We need to have ongoing awareness to educate the public. The charges are still minimal compared to that of Independent Power Producers (IPP). Eskom is building new power stations to give value for money, service delivery, and minimize interruptions to make the stakeholders happy and satisfied.

***Respondent 2***

As per question 15, this is why Eskom focuses on excellent service that provides quality electricity supply.

If you pay for a service, you should be happy with the offerings.

**18. In all of these reports and remarks, how does Eskom reconcile the ethics and the business of public relations practice in its strategic planning and effective organisational communication culture?**

***Respondent 1***

Eskom is governed by Acts of the Ethics body. There is zero tolerance for unguarded expenditure. Public Finance Management Act (PFMA) is uncompromising in its governing capacities.

***Respondent 2***

Public Finance Management Act (PFMA). Eskom complies with governance structures.

**5.13 SUMMARY**

This chapter has analysed the data of this research. Two sets of data were presented for proper and comprehensive analyses that would give convincing and reliable findings. The primary data was derived from semi-structured interviews with Eskom communication staff. The secondary data comprised articles and reports about Eskom by three South African newspapers (the *Mail & Guardian*, the *City Press* and the *Cape Times*), and the survey of relevant literature that was presented in Chapter Two. It began by displaying various collected data into different tables as constructs and frequencies according to each newspaper (see *Appendix C*). To heighten credibility and to determine proper findings, the frequencies were grouped into categories, which brought similar frequencies together.

These categories were grouped into themes, which emerged by grouping major categories together. Further to the analyses and discussions, the categories were created by presenting charts and graphs to enhance the presentation of facts and figures whilst using different colour schemes. Discussions were presented on the various themes, drawing references from the newspaper reports and literature surveys of the study, as well as the interview data. They provided valid evaluations around the improvement of organisational communication, and consequently contribute to the dynamics of institutional culture and values.

The next chapter, which is the final chapter, proposes recommendations and provides a conclusion for the research.

## **CHAPTER SIX**

### **RECOMMENDATIONS AND CONCLUSION**

#### **6.1 INTRODUCTION**

This chapter proposes recommendations for the research questions, drawing logical reason from the analysis, findings and interpretations of the collected data, as well as the literature survey. How the recommendations substantially answer the research questions, is streamlined and emphasised. An overview of all the chapters is also presented, while drawing conclusions to how the study, in spite of its identified limitations, can contribute to the body of knowledge in the field of communication.

#### **6.2 OVERVIEW OF CHAPTERS**

This study is divided into various chapters that dealt with specific areas of research and synthesis of issues.

##### **6.2.1 CHAPTER ONE**

Chapter One was an introduction of the research. It presented the hypotheses and objectives of the study. The background and significance of the study were also highlighted.

Ethical clearance to the research was also obtained.

##### **6.2.2 CHAPTER TWO**

Chapter Two explored a relevant literature survey, and provided insight into areas where the research sought to draw significant inferences. The history of communication was presented and its definitions as a social science were presented. Its concepts and meaning were also evaluated, and organisational brand dynamics and stakeholder perceptions were appraised.

##### **6.2.3 CHAPTER THREE**

Chapter Three elucidated the paradigm of research methodology, strategy and design which were used in this research. The data collection sources and analysis were informed. A case study was also acknowledged.

#### **6.2.4 CHAPTER FOUR**

Eskom is a service delivery organisation, which was established by the South African government as a corporation and was chosen as a case study for this research. The choice was made to provide a balance between an organisation that is driven to make profits and a government corporation, which is established to provide basic essential services or amenities to its stakeholders and the public. Thus, dealing with public relations, image challenges and responsibilities. The chapter presented a history of Eskom, its organogram and operations, highlighting its prospects, visions and challenges with its stakeholders.

#### **6.2.5 CHAPTER FIVE**

Chapter Five was the analysis chapter, which presented the collected data, whilst analysing them by using the content analysis technique of qualitative and quantitative methodologies. Manifest content (the unit of analysis) comprised frequencies of words and phrases (constructs) from the articles and reports about Eskom in the identified newspapers, covering a period of one year. The constructs were grouped into categories (similar issues and messages), and these categories were further grouped into themes. The themes were drawn from the categories and presented in the form of tables and graphs for easy identification of patterns.

#### **6.2.6 CHAPTER SIX**

With the findings and interpretations, Chapter Six draws conclusions by summarising all the chapters and their content. Recommendations were proposed from the findings of the research, and how they can positively impact the body of knowledge.

### **6.3 RECOMMENDATIONS**

The collected data (primary and secondary) was analysed. Interpretations were made and findings were established. Therefore, this study makes the following recommendations as indicated in the expected outcomes, results and contribution of the research in the research proposal (*see Chapter One*).

#### **RECOMMENDATION 1 - DYNAMICS OF COMMUNICATION - BUSINESS ETHICAL OBLIGATION AND STAKEHOLDERS**

Organisations are established to make profits while conducting business activities to satisfy their stakeholders. It is critical that these organisations are responsive to their stakeholders' feelings and reactions towards the prices of commodities and service delivery. There

should be an ethical approach in the manner(s) in which businesses are conducted. Organisations should apply business ethics of fairness and responsibility, particularly in respect of their stakeholders' reactions.

#### **RECOMMENDATION 2 - DYNAMICS OF COMMUNICATION - ORGANISATION'S POLICIES AND STAKEHOLDERS**

For dynamic organisational communication to be effective, an organisation's policies should streamline its actions with the desires of its stakeholders whose interests should be priority – no stakeholders, no business. A stakeholder feedback unit should be established to look into the concerns of stakeholders. Strategies should be devised to strengthen stakeholders' issues in organisations, where this unit already exists. This is highly recommended especially according to the analysis of this research of the newspaper reports regarding Eskom's management declining press interviews, controversial soccer tickets and irregular bonuses. The objective is after all to really have two-way communication with the stakeholders – all of them, including the press as channel and medium to the publics – in order to achieve level 4 of Grunig's Four Models of Communication, which is open and transparent and reactive (Grunig, 1992: 56).

#### **RECOMMENDATION 3 - DYNAMICS OF COMMUNICATION - STAKEHOLDERS' INFORMATION NEEDS**

Newsletters, which serve as a bridge between organisations and stakeholders should be published periodically to inform and notify specific stakeholders of the general position of the organisation. This can stimulate mutual respect of the stakeholders and also creates a sense of belonging (as presented in the literature survey of effective organisational communication). *See 2.11 and 2.15.*

#### **RECOMMENDATION 4 - DYNAMICS OF COMMUNICATION - TARIFF AND COST CONSIDERATIONS**

The frequent increment of the prices of commodities and services can trigger anger amongst stakeholders, which could lead to tension in the society, according to the analysis of this research. Organisations such as Eskom, with its economic strength and political grit can afford to reduce electricity tariffs periodically to assuage the burdens of electricity costs on low income earners.



The 'send-off package' of the organisation's senior executive officers could be periodically reviewed to balance the cost of electricity.

#### **RECOMMENDATION 5 - DYNAMICS OF COMMUNICATION - MEDIA RELATIONS**

It is clear from this research that the media plays a vital role in the information dynamics of any organisation, society or state. The media is in the business of reporting news through broadcasts and prints on contemporary issues. Therefore, media relations of organisations should be cordial, mutual, outstanding and reputable towards the sustainability of information for the stakeholders rather than the incessant 'no response' attitude.

#### **RECOMMENDATION 6 - DYNAMICS OF COMMUNICATION - ALTERNATIVE POWER**

The analysed data shows that Eskom's debate on alternative sources of power generation aroused controversy and intense arguments. These debates become substantially credible owing to the fact that sole dependency on coal, as an electricity generation source, is potentially growth-stagnating. Alternative power generation should be established to create a substitute for coal. This will create diversity of energy exploration and distribution, and eventually electricity tariffs will be stabilized, making it reasonably priced for stakeholders to obtain value for money.

#### **RECOMMENDATION 7 - DYNAMICS OF COMMUNICATION - TECHNOLOGICAL STAKEHOLDER COMMUNICATION**

Communication in the 21<sup>st</sup> century has taken a different dimension. The use of technology in communication has transformed the world into a microcosm of the global unit. The dynamics of communication have evolved into a space of spontaneous accessibility. With the advent of the Internet, the conservatism of communication has been replaced. This has transformed space and time to communication-on-the-go. Interactions of organisations and stakeholders have become unlimited, breaking down geographical and situational barriers. To stimulate stakeholder loyalty, organisations could constantly communicate changes, trends and events to their stakeholders by using new technology such as smart phones and androids, which offer an immediate exchange of information and messages.

#### **RECOMMENDATION 8 - DYNAMICS OF COMMUNICATION - ORGANISATIONAL TRUST**

When there is no trust, a mutual relationship cannot be built and development through growth is hampered. For an organisation to thrive, it should build and inspire trust in its

stakeholders. This trust comes from various means in business. Through constant communication with stakeholders, trust is built and loyalty is enhanced. Every organisation should have the interests and concerns of its stakeholders at the centre of its activities, policies and managerial decisions in order to stimulate and foster their loyalty.

These recommendations, though not limited, are various ways that an organisation such as Eskom can stimulate the loyalty of its stakeholders. Through the exploration of the dynamics of its organisational communication, this premise cannot be over emphasized.

## **6.4 RESEARCH IMPERATIVES TO ANSWER THE PRIMARY RESEARCH QUESTIONS**

### **1. WHAT DID THIS STUDY FIND IN THE LITERATURE ABOUT STAKEHOLDER LOYALTY?**

The literature survey of this study underpins various tenets of communication values that can enhance stakeholder loyalty. For communication to be effective, it should be result-oriented in order to achieve and sustain stakeholder loyalty. Communication activities must be visible and 'stakeholder-centric' through the reflection of integrity and trust, which in essence drive an organisation's positive reputation.

### **2. HOW CAN THE PROCESS AND COMPONENTS OF SUCCESSFUL CORPORATE COMMUNICATION BE DEFINED AND CONCEPTUALIZED?**

As captured in the analysis of this research, stakeholders' perceptions of a particular organisation reflect the true image of that organisation's corporate identity. Image and brand impression, it was said, is not what the company or organisation believes people know and think of them – it is what the stakeholders know and think of them without any interference from the organization. It is critical, therefore, to constructively define the components of that organisation's corporate communication with the specific public. This will facilitate and stimulate stakeholder loyalty.

### **3. HOW CAN AN ORGANISATION APPLY OR ACTIVATE THE STEPS AND ELEMENTS IN QUESTION 2?**

This research has made several recommendations, which are presented above. Organisations can activate the steps and elements of successful corporate communication by embracing the mentioned recommendations.

#### **4. WHAT IS THE SUCCESS RATE OF COMMUNICATION BETWEEN ESKOM AND ITS STAKEHOLDERS AS A CASE STUDY OF THE RESEARCH QUESTION?**

- **WHAT DO THEY DO RIGHT OR WRONG?**
- **WHAT CAN BE IMPROVED?**

From the collected data of newspaper reports, Eskom is perceived as an organisation that would rather not regularly disclose information in matters of operational errors that left a considerable number of South Africans without electricity for a particular period. Financial mismanagement in the sector also occurs at an alarming rate. This leaves a strong negative impression on the stakeholders (according to the news reports). Press conferences, which are appropriate tools for damage control and image laundry, have been lacking. From this research, stakeholders are apparently not happy with this situation. In pacifying the plight of the stakeholders, interviews, remarks and questions from the press need proper attention and articulation. Eskom should be proactive in communication rather than reactive (or create a 'no comment' scenario).

#### **6.5 THE ROLE OF THE MEDIA IN EFFECTIVE ORGANISATIONAL COMMUNICATION**

Expected freedom and respect of the press come with responsibility. The translation of this responsibility strongly suggests that the media, as stakeholders, is significantly drawn to assist organisations in the investigation and dissemination of information and reports. The media is a powerful weapon in information generation from specific sources, news coverage and reporting. Therefore, the relationship of Eskom (or any other organisation) and the media should be mutual. Transparent and trusted organisational information should be accessible to the media. The public relies on the media for daily information consumption, so any false and unreliable news or reports demean the essence of communication ethics. Reputation management exercises should be organized in the event of mishaps or catastrophes, which range from operational errors to management excesses or inadequacies. Through press releases and media briefings, organisations are able to carry out these initiatives that grant the media access to information for their reports for stakeholders.

#### **6.6 STRENGTHS OF THE STUDY**

This research was motivated and stimulated by the need to satisfy the communication needs of businesses, and the insensitivities of organisations in the communication space in their relationship with their stakeholders. Adopting content analysis as a technique of collecting and analysing news reports and publications aided this research towards logical

findings and objective results. As highlighted in the merits of content analysis (see 3.5.2.), this study, (though) with its limitations, did not encounter the problematic nature associated with quantitative research methodology in the designing and distribution of questionnaires. Also, it did not experience possible errors that are associated with fluctuations in the values of statistical calculations. This is a social research with greater strengths on qualitative analysis rather than emphasis on numerical evaluations.

The timely granting of ethical clearance from Eskom to conduct this research on their communication culture equally added to the strength of this study.

### **6.7 LIMITATIONS OF THE STUDY**

There is no research or study without its challenges and limitations (Biggam, 2008: 121). This research was conducted under careful collection and analyses of specified and identified data with strict observation of variables, categories and themes in order to arrive at the presented findings. The results have informed the recommendations and conclusion of the study. Content analysis, as a social science tool and technique, with both qualitative and quantitative characteristics, was the technique that was used in the process of data analysis and findings. However, this tool, though famous and academically approved to conduct research, has its limitations. One of them is the credibility of the data source and publication. The numerical value of the frequencies of words and phrases may not be totally perfect.

Another limitation of this research is the likelihood that not all the published newspaper reports were chronologically available for collection and analysis. The newspaper reports were obtained from the data base of the University of the Free State, South Africa and supplied by *Sabinet*, an Internet resource bank. The source may not have all the publications within the indicated period.

However, all these limiting factors were comparatively inconsequential, as they were quite of low ratio.

### **6.8 RESEARCH OBJECTIVE CONCLUSION**

As indicated in the research objectives section, the power of effective communication is hugely important and cannot be underplayed by businesses, governments and conglomerates. Structured and efficient communication stimulates trust, and this builds loyalty. This is also embedded in brand management. For a business to thrive, the place of

the stakeholder in brand acceptance and engagement should be powerful. All communication challenges of businesses and organisations should be replaced with continuous and sustained stakeholder engagement and management.

The essence of building stakeholders is the future of businesses. A requirement of this future is to rediscover required effective communication attitudes, and to use them to bring more (humanity) to interaction with stakeholders. In forging ahead, organisations should explore possibilities and exploit means to prove this fact.

This study has answered the research questions through its objectives in the explorative and descriptive processes. The definition of terms, collection and analysis of data, the interpretations, recommendations and conclusions have also presented answers to the research questions.

## **6.9 FUTURE RESEARCH DIRECTION**

This study has explored the dynamics of effective organisational communication by emphasising the recommendations, which serve as solutions to the potential and inherent challenges that were discovered by the research. In the advancement of a new paradigm towards taking this study to the next level, a model of stakeholder communication dynamics should be designed. Newsletter development as a tool of stakeholder communication should equally be initiated. As the world of communication design is dynamic, it would be highly significant for future research to initiate sustainable imperatives towards the communication needs of the ever increasing stakeholders.

## **6.10 CONCLUSION**

In identifying the details of this research findings, this concluding chapter has accordingly made recommendations that could improve the standard of today's business and stakeholder communication. Public relations practitioners are provided with these recommendations for the facilitation of communication dynamics that could stimulate stakeholder loyalty. The chapter has answered the underlying research questions in the proposal of the study, as presented in Chapter One.

The most important finding in stakeholder relationships in public relations cannot be over-emphasised. Eskom is a perfect example where stakeholders are not in harmony with the organisation. This means that increasing public relations activities are necessary to restore trust amongst and with stakeholders. Public relations (from the onset) is considered as

critically important, acting as though the stakeholder is indeed the most important asset and element in an organisation's make-up and communication (Schraeder & Self, 2010: 3 - 4). Eskom's direct communications are at odds with the publications in the media and public perception of overall incompetence and dishonesty. This might have been avoided earlier by effective public relations.

When one improves on effective, two-way and respectful organisational communication, gain is made and credibility is achieved. Most importantly, the unhappy and disappointed stakeholders are replaced with satisfied publics and clients.

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## APPENDIX A: Request letter to Eskom to conduct research



21-04-2011

To Whom it may Concern

LETTER OF REFERENCE: ANTHONY MONYE

This letter serves to confirm that **Anthony Monye, Student No. 211078093**, is an M-Tech Student in Public Relations Management, Faculty of Informatics and Design at the Cape Peninsula University of Technology, Cape Town Campus.

He is doing a **FULL THESIS** in the fulfilment of his M-Tech requirements with the topic;

**Stakeholders' loyalty: an exploration of the dynamics of effective organisational communication.**

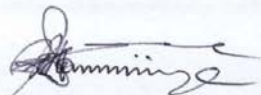
Mr. Monye is focusing his primary research for his master's thesis on coverage of Eskom's services to the South African public and how this affects the communication between the service provider and the public. His research will be executed by means of a content analysis study of press coverage by the South African press. Should the need arise, we will appreciate the possibility of Mr. Monye getting access to Eskom's Corporate Communication division. This letter serves to address the issue of ethical concerns, and a commitment from Mr. Monye and CPUT to respect any information gathered from Eskom.

We will also appreciate it if this letter can serve as a means of introducing Mr. Monye Anthony and his study subject to your organisation.

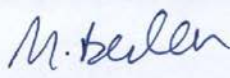
We are confident that this study is in the interest of all Corporate Communication divisions in various organisations and companies, and that the findings will be constructive in an improved understanding of what exactly the stakeholder in terms of the general public expects from a service provider such as Eskom.

With appreciation.

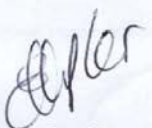
Yours faithfully,



Anthony Monye



Prof. Nirvana Bechan  
HEAD OF RESEARCH, CPUT



Dr. Elsabe Pepler  
RESEARCH SUPERVISOR

PO Box 1906 Bellville 7535 South Africa  
086 123 2788



## APPENDIX B: Eskom's approval letter to conduct research



To Whom it May Concern

Date:  
26 April 2011

Enquiries: Jolene Henn  
Tel +27 915 2774

### LETTER OF CLEARANCE

Prof. Nivarana Bechan

Dr. Elsabe Pepler

Eskom Western Region, Communication and Stakeholder Management Department, hereby acknowledge the request of Mr Anthony Monye, 211078093 in his Master's programme.

Mr Monye met with Eskom Regional Communication and Stakeholder Manager – Ms Jolene Henn, on Tuesday, 26<sup>th</sup> April 2011. The regional Communication and Stakeholder Management Department will assist Mr Monye with his thesis as far as possible.

Kindly note, the information to be provided will be within the mandate of the regional Communication and Stakeholder Management Department.

Yours faithfully

Jolene Henn  
Communication & Stakeholder Manager  
Eskom: Western Region

**Western Region**  
60 Voortrekker Road Bellville 7530 PO Box 2100 Bellville 7535 SA 7561 SA  
Tel +27 86 003 7566 www.eskom.co.za

**Directors:** PM Makwana (Chairman) BA Dames (Chief Executive) LCZ Cele SD Dube BL Fanaroff  
LG Josefsson (Swedish) HB Lee (Korean) WE Lucas-Bull B Mehlomakulu J Mirenge (Rwandan)  
JRD Modise PS O'Flaherty U Zikalala (\*Executive Director) **Company Secretary:** B Mbomvu  
Eskom Holdings Limited Reg No 2002/015527/06





## APPENDIX C: Format of semi-structured interview with Eskom staff

1. Who are Eskom's stakeholders and what would 'good communication between Eskom and its stakeholders' mean?

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2. Having identified these stakeholders, is Eskom constantly informed and updated about what stakeholders think of it as an organisation?

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3. How is the Eskom's brand managed when it comes to strategic corporate communication?

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4. From the perspective of Eskom as an organisation, how do you see the function of Public Relations?

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5. How do you react to media reports about Eskom?

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6. How does Eskom structure its Public Relations programmes and activities to include its stakeholders' interests?

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7. What are the effects of Eskom's report planning on its communication in its continuous observation, evaluation and analysis of media coverage?

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8. What are Eskom's general brand promotion campaign structures?

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9. Does Eskom distribute newsletters?

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10. Are there any strategies for Eskom to sustain their stakeholder loyalty?

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11. This research highlights the importance of reputation management for any organisation. How important is reputation management to Eskom?

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12. How transparent and open is Eskom with their clients and stakeholders about operational errors that cause problems such as load-shedding? How much do you believe you should share with the public?

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13. An analysis of media reports about Eskom shows that the public (stakeholders) is critical of topics such as massive golden handshakes or the parting packages of senior management. The public (as observed in the media coverage), obviously thinks that Eskom spends millions on their own people instead of making plans to reduce tariffs.

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14. Would you think that Eskom's electricity buyers would still be buying electricity if there was another source, considering the continual hike in electricity prices?

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15. The public expects Eskom to be sensitive to their remarks. Does Eskom have a designed feedback channel to know the public's reactions to tariff hikes and its other organisation policies?

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16. Are there any future plans to reward and acknowledge Eskom's stakeholders by offering free electricity vouchers?

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17. From the content analysis that was carried out in this study, it clearly seems that the media and the public may have negative perceptions of Eskom, especially because electricity is becoming more expensive periodically. To counter this negativity and animosity, would you consider a process of rebranding Eskom entirely?

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18. In all of these reports and remarks, how does Eskom reconcile the ethics and the business of public relations practice in its strategic planning and effective organisational communication culture?

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**APPENDIX D: TABLES OF THE NEWSPAPER REPORTS WITH KEY WORDS AND PHRASES FORMING THE DATA (*CONSTRUCTS & FREQUENCIES*).**

**NEWSPAPER 1: MAIL & GUARDIAN**

**Table (Article) 1**

**Reporter: Ilham Rawoot**

<b>Headline</b>	<b>Date</b>	<b>Constructs</b>	<b>Frequencies</b>
<b>Eskom's R12m ticket splurge</b>	1-July-2010	Strike	3
		Hospitality tickets	13
		Wage negotiations	3
		Bank loan	1
		Troubled Eskom	11
		Eskom's insult	3
		Blackouts	1
		Eskom's loss/expenditure	4
		Union	5
		Employees	3
		Board of Directors	5
		Customer/stakeholder	1

**MAIL & GUARDIAN**

**Table (Article) 2**

**Reporter:** David Ross

<b>Headline</b>	<b>Date</b>	<b>Constructs</b>	<b>Frequencies</b>
<b>Eskom wastes taxpayers' money</b>	8-July-2010	Boss	1
		Stakeholders	1
		Hospitality Tickets	4
		World bank loan	1
		Extravaganza bill	1
		Electricity rate increase	4
		Disinvestment/job loss	1
		Entertainment waste	2
		Tariff structure	1

## MAIL & GUARDIAN

### Table (Article) 3

Reporter: Lynley Donnelly

Headline	Date	Constructs	Frequencies
<b>The highest-paid workers</b>	8-July-2010	Face off/Strike action	7
		Eskom's billion profit	1
		Average salary	4
		Eskom's Millions in Football tickets	1
		Union's demand	19
		Wage negotiations	4
		Eskom's rejections	2
		Executive millions bonuses	1
		Among the highest paid workers	1
		Eskom's offer	1
		Employees	8

## MAIL & GUARDIAN

### Table (Article) 4

Reporter: Kevin Davie

Headline	Date	Constructs	Frequencies
Praying for plan 'A' to succeed	15-July-2010	Deregulation	2
		Senior Executive/Mgt	9
		Strike threats	2
		Executive pay	1
		Buying world cup ticket	1
		Contracts	5
		Controversial projects	7
		Bonus pay	2
		Project delay cost/funding crisis	19
		Borrowing/cash injection	11
		Board breakdown	1
		Eskom's recapitalisation	2
		ANC	2
		Crossroads	3
		Renewable energy	6
		Solar plant	3
		News coverage	1
		Building cost	7

## MAIL & GUARDIAN

### Table (Article) 5

Reporter: Lynley Donnelly

Headline	Date	Constructs	Frequencies
Eskom's plan to control market	12-Aug-2010	Wind power	3
		Solar power	3
		Industry fear	2
		Eskom's imprudence	1
		Govt. Transparency	3
		Tariff determination	2
		Independent producers	25
		Govt.'s legislation	11
		Renewable energy project	6
		Business plan	2
		Power storage	2
		Electricity power experts	3
		Financial difficulties	4



**MAIL & GUARDIAN**

**Table (Article) 6**

**Reporter:** (Innovations)

<b>Headline</b>	<b>Date</b>	<b>Constructs</b>	<b>Frequencies</b>
<b>Nuclear research progresses</b>	14-Oct-2010	Affordable electricity	1
		Nuclear energy/reactor	14
		Electricity demand	2
		Energy production/supply	7
		Neutron radiation damage	1
		Skills and capacity	2
		Govt. Sustained economic plans	1
		Green house emission	3

## MAIL & GUARDIAN

### Table (Article) 7

Reporter: (Critical thinking forum)

Headline	Date	Constructs	Frequencies
Waiting to flip the switch	21-Oct-2010	Renewable energy	26
		Electricity/energy supply	27
		Nuclear sector	2
		Alternative energy	11
		Rising cost of electricity	5
		Solar/wind energy	7
		Hydrocarbon and coal	8
		Energy efficiency	2
		Job creation/skills	3
		Investors and developers	5
		Energy demand	2
		Economic growth	4
		Cheap electricity	4

**MAIL & GUARDIAN**

**Table (Article) 8**

**Reporter:** Kevin Devie

<b>Headline</b>	<b>Date</b>	<b>Constructs</b>	<b>Frequencies</b>
<b>Switched on and turned off</b>	21-Oct-2010	Electricity supply	10
		Blackouts	4
		Procurement	4
		Electricity tariff	20
		Power crisis	2
		Power station	5
		Solar units	4
		Renewable energy	4
		ANC decision	1
		Wind power	2
		Nuclear power	3
		Energy efficiency / intensity	11
		Green power	2
		Coal scale	3
		Grid access	5

## MAIL & GUARDIAN

### Table (Article) 9

Reporter: Lynley Donnelly

Headline	Date	Constructs	Frequencies
<b>Eskom's early Xmas gift</b>	4-Nov-2010	Eskom loan	18
		Power cuts/blackouts	4
		Building programme	12
		Budget review	2
		Financial crisis/recession	2
		Energy security	3
		Stakeholder solution	1

## MAIL & GUARDIAN

### Table (Article) 10

Reporter: Chris Yelland

Headline	Date	Constructs	Frequencies
<b>Infrastructure development is very key</b>	18-Nov-2010	Energy demand	4
		Energy generation/supply	9
		Environmental benefits	4
		Natural gas	13
		Carbon reduction	1
		Power outputs	13
		Wind energy	2
		Gas turbines / industry	17
		Nuclear power	2
		Capital cost	4
		Renewable energy	1

## MAIL & GUARDIAN

**Table (Article) 11** Reporter: Lynley Donnelly

Headline	Date	Constructs	Frequencies
<b>Eskom's R20 billion fillip to come from budget</b>	18-Nov-2010	Govt Budget of billions	19
		Carbon emission/reduction	8
		Electricity supply	5
		Solar power	2
		Economic expansion	3
		Renewable energy/efficiency	6
		Tariff/cost of energy	2
		Nuclear energy	1

## MAIL & GUARDIAN:

**Table (Article) 12.** Reporter: Lynley Donnelly

Headline	Date	Constructs	Frequencies
<b>Eskom's billions funding mystery</b>	25-Nov-2010	Money/funds/cash	28
		Budget allocation/deficit	6
		Equity injection	4
		Tariff/cost	6
		Economic development	3
		Treasury	5
		Energy exploration/security	6
		Building programme	3
		Eskom's savings	2
		Market capitalisation	2
		Oppositions/chaos	8
		Energy exploration/security	6

**MAIL & GUARDIAN:**

**Table (Article) 13 Reporter: Nic Dawes**

Headline	Date	Constructs	Frequencies
<b>Maroga judgement is a lesson in how to run public enterprises</b>	22-Dec-2010	Mr. Maroga	5
		ANC	8
		Demanded compensation	1
		Battles/face off	21
		Jacob Zuma	2
		Dismissal	2
		Shareholder	2
		Interference	2
		Politics/power	4

**MAIL & GUARDIAN**

**Table (Article) 14 Reporter: Lynley Donnelly**

Headline	Date	Constructs	Frequencies
<b>Eskom will make do without R20-billion</b>	10-Mar-2011	Budget	5
		Funding	14
		Energy	2
		World Bank loan	10
		Tariff hike	1
		Spending/credit	7
		Treasury	2
		Credit ratings	2
		Building programme	2
		Job creation	1
		Poverty reduction	1

## MAIL & GUARDIAN

### Table (Article) 15

Reporter: Lynley Donnelly

Headline	Date	Constructs	Frequencies
<b>Eskom wants enforced energy savings</b>	24-Mar-2011	Blackouts/power cuts	4
		Conserve power/efficiency	14
		Gazetted energy/cabinet / bill	8
		Punitive tariffs	3
		Electricity use/demand	10
		Electricity use/market	2
		Independent power producers	1

## MAIL & GUARDIAN

### Table (Article) 16

Reporter: Lynley Donnelly

Headline	Date	Constructs	Frequencies
<b>Power plant blast threatens supply</b>	24-Mar-2011	Power station/generation	13
		Damage/accident	12
		Turbine units	1
		Independent power producer	4
		Maintenance / routine repair	9
		Heavy pressure	2
		Load shedding / blackouts	3
		Peak power demand	2

## MAIL & GUARDIAN

### Article (Table) 17 Reporter: Lynley Donnelly

Headline	Date	Constructs	Frequencies
<b>Pictures of damaged Duvha generator tell a thousand words about operator error</b>	24-Mar-2011	Photographs	4
		Accident/damage	12
		Turbine failure	6
		Load shedding	1
		Turbo generation	4
		Eskom defence/ speculation	3
		Malfunction	3
		Investigation	3

## MAIL & GUARDIAN

### Table (Article) 18 Reporter: Lynley Donnelly

Headline	Date	Constructs	Frequencies
<b>Eskom in costly rights bungle</b>	7-Apr-2011	Energy shortfall	2
		Coal negotiation	4
		Coal/power supply	14
		Dispute/crisis	10
		Fraud/allegation	1
		Mining rights	14
		Power stations	3
		Blackouts	1
		Coal export	7
		Price	2
		Investigating	1
		Security of supply	3



**MAIL & GUARDIAN**

**Table (Article) 19**

**Reporter:** Lisa Steyn

<b>Headline</b>	<b>Date</b>	<b>Constructs</b>	<b>Frequencies</b>
<b>Eskom needs help to keep the lights on</b>	20-April-2011	Energy supply	2
		Load shedding	1
		Explosion	1
		Electricity demand	4
		Routine maintenance	2
		Power station	1
		Energy savings/efficiency	5
		Renewable energy	3
		Coal stockpiles	1
		Growing economy	2
		Billion investments	1
		Sector/energy inefficiency	2

## MAIL & GUARDIAN

### Table (Article) 20

Reporter: Lynley Donnelly

Headline	Date	Constructs	Frequencies
<b>Eskom feels the cold</b>	13-May-2011	Supply delay	3
		Electricity demand	12
		Installed capacity	12
		Repairs / maintenance	9
		Energy availability / efficiency	9
		Outages / blackouts	9
		Load shedding	1
		Accidents	1
		Labour disputes	1
		Gas turbines	2
		Expensive cost/tariff	7
		Energy saving/conservation	7
		Customers	10
		Electricity supply	2
		Policy constrain	4

**MAIL & GUARDIAN**

**Table (Article) 21**

**Reporter:** Distinguished Young Black Researcher

<b>Headline</b>	<b>Date</b>	<b>Constructs</b>	<b>Frequencies</b>
<b>Solving the power issue</b>	2-Jun-2011	Energy savings/efficiency	9
		Renewable energy	3
		Power crisis/challenges	2
		Energy cost	2
		Low voltage	1
		Immense poverty	1
		Customer incentives	1
		Wind generation	1
		Power density	1
		Electricity generated	3

**MAIL & GUARDIAN**

**Article (Table) 22**

**Reporter:** Lynley Donnelly

<b>Headline</b>	<b>Date</b>	<b>Constructs</b>	<b>Frequencies</b>
<b>Green energy roll-out stalled</b>	2-Jun-2011	Unfavourable remarks	15
		Raising capital	1
		Windfall profit	1
		Departure of energy	4
		Green energy	2
		Generated power	3
		Power sale	9
		Tariffs	9
		Renewable energy	11
		Budget speech	1
		Market/capitalisation	4
		Power shortages	2
		Economic recession	1
		Energy peak demand	1
		Procurement	10
		Banks	2
		Proposal requests	4

## MAIL & GUARDIAN

### Article (Table) 23

Reporter: Mail & Guardian Reporters

Headline	Date	Constructs	Frequencies
<b>New parastatal chairs named amid confusion</b>	16-Jun-2011	Eskom board	9
		Notable confusion	1
		Eskom decline comment	3
		Media reports	1
		Annual general meeting	1
		Contractors	2
		Shareholders	3
		Corporate consulting strategy	2
		Trade unions	2

**MAIL & GUARDIAN**

**Article (Table) 24**

**Reporter:** Lynley Donnelly

<b>Headline</b>	<b>Date</b>	<b>Constructs</b>	<b>Frequencies</b>
<b>Row over Koeberg contract</b>	16-Jun-2011	Contracts	10
		Nuclear Power	6
		Secret station	1
		Excessive pressure	1
		Tender cost	4
		Unusual decision	1
		Fabrication cost	1
		Power efficiency	1
		Generation strategy	1
		Stakes/shareholders	3
		Supply disruption	1
		Impasse	1
		Decline comment	2

## MAIL & GUARDIAN

### Article (Table) 25

Reporter: Lynley Donnelly

Headline	Date	Constructs	Frequencies
<b>Gigaba wields the axe</b>	16-Jun-2011	Leadership crisis	5
		Lack of confidence	2
		Government denial	2
		Construction/capacity programme	9
		Out of job/retrenchment	3
		Shareholder	3
		Eskom board	15
		Power generation crisis	2
		Unhappiness	1
		Rebuff discussion	3
		Trade negotiations	1
		Rumours	1
		Budget	1
		ANC youth league	1
		Capital expansion	2
		Blood bath	1
		Local suppliers	1
		Confrontation	3

**MAIL & GUARDIAN**

**Article (Table) 26**

**Reporter:** Lynley Donnelly

<b>Headline</b>	<b>Date</b>	<b>Constructs</b>	<b>Frequencies</b>
<b>Timing of Eskom shake-up questioned</b>	23-Jun-2011	Board members	14
		Power crisis	2
		Alarm / unease	9
		Impact on power utility	3
		Appointments/fresh blood	11
		Stakeholders	3
		Executive leadership	2
		Resignation	1
		Shortfall	2
		World bank loan	2
		Power station/generation	4
		Power station/generation	4
		Crude view	2
		Organised labour	1
		Critical state	4
		King III report	2
		Capacity expansion	2
		Skills & expertise	4
		Clouds of uncertainties	3



## NEWSPAPER 2: CITY PRESS

**Table (Article) 1**

**Reporter:** Staff writer

Headline	Date	Constructs	Frequencies
How to make Zumafesto a reality	1-Aug-2010	Talent	3
		Better pay	1
		Job-starved	1
		Strike actions	9
		Public service/servants	14
		Budget deficit	3
		Millionaire ministers	1
		Inflation	1
		Cabinet's lavishness	3
		Allowance increase	4

## CITY PRESS

### Table (Article) 2

Reporter: Sikonathi Mantshantsha

Headline	Date	Constructs	Frequencies
Execs rake in the cash	19-Sep-2010	Salary	7
		Industrial action	2
		Money paid	21
		Recession	2
		Soccer world cup	1
		Highly unequal society	1
		Sustainability	1
		Average pay	1
		Remuneration / bonuses	9
		Handsome reward	2
		Financial / tender irregularities	1
		Chief executive	7

## CITY PRESS

### Table (Article) 3

Reporter: Sake 24

Headline	Date	Constructs	Frequencies
<b>Eskom sound load shedding alarm</b>	9-Jan-2011	Load shedding crisis	6
		Power station/network	20
		Electricity demand	10
		Massive pressure	6
		Recession	3
		Poor management	1
		Expensive option	1

## CITY PRESS

### TABLE (Article) 4

Reporter: Johan Eybers

Headline	Date	Constructs	Frequencies
<b>Electricity supply gets a big shock</b>	27-Mar-2011	Errors/fiasco	5
		Explosions	6
		Routine maintenance	8
		Eskom cost	2
		Turbine speed	6
		Lack of personnel network	3
		Electricity supply	5
		Power station	5
		Faulty bolt	1
		Shut down	3
		Extensive damage	7
		Fines/transgressed	3
		Immense pressure	2

**CITY PRESS**

**TABLE (Article) 5**

**Reporter:** Jacques Dommissie

<b>Headline</b>	<b>Date</b>	<b>Constructs</b>	<b>Frequencies</b>
<b>Sparks fly over Eskom 'inside' deal</b>	24-Apr-2011	Contract deals	13
		Contracts amounts	5
		Corruption allegations	1
		Declared interests	5
		Deregistration	1
		Dividends declarations	1
		Energy services supply	5
		Eskom's Executive	10
		Forensic investigation	4
		Operations	3
		Power infrastructure	7
		Subsidiary	6

CITY PRESS

**TABLE (Article) 6**

**Reporter:** Erna Van Wyk

Headline	Date	Constructs	Frequencies
<b>No load shedding, but power is tight</b>	8-May-2011	Load shedding	5
		Electricity supply	3
		Energy saving	5
		Warnings	1
		Power stations	3
		Peak demand	4
		Coal reserves	2
		Precautionary measure	1
		Power capability	7
		Switching off geyser	1
		Tight system	3
		Electricity crisis	1
		Economic recession	2

CITY PRESS

**TABLE (Article) 7**

**Reporter:** Erna Van Wyk and SAPA

Headline	Date	Constructs	Frequencies
Load shedding only as a last resort	29-May-2011	Load shedding	16
		Schedule blackouts	2
		Bad leadership	2
		Electricity demand	3
		Electricity generation	6
		Energy savings/ efficiency	5
		Stand by gas turbines	3
		Large customers	5
		Power station/ turbines	5
		Electricity trading	2
		Energy/supply crisis	2
		Emergency reserves	3
		Infrastructure problems	2
		Solar/water geysers	1
		Winter/snow	9
		Rain/wind	5
		Temperature	7

**CITY PRESS**

**TABLE (Article) 8**

**Reporters:** Morne Schaap and Rudi Louw

<b>Headline</b>	<b>Date</b>	<b>Constructs</b>	<b>Frequencies</b>
<b>The cost of keeping warm this winter</b>	29-May-2011	Heat/heater	19
		Gas	5
		Electricity	2
		Reservoir	1
		Insulated	1
		Energy efficient	1

**CITY PRESS**

**TABLE(Article) 9**

**Reporter:** Sizwe Sama Yende

<b>Headline</b>	<b>Date</b>	<b>Constructs</b>	<b>Frequencies</b>
<b>Inquiry into Kusile station rampage begins</b>	29-May-2011	Formal inquiry	3
		Increasing electricity demands	1
		Sympathy with colleagues	1
		Discrete information	2
		Contractors	2
		Power stations	2
		Construction sites	2
		Stakeholders	3
		Protest/strike	9

## NEWSPAPER 3: CAPE TIMES

### Table (Article) 1

Reporter: Staff writer

Headline	Date	Constructs	Frequency
Thieves use Eskom drive to rob homes	15-July-2010	Thieves/robbers	3
		Door-to-door campaign	2
		Inefficient energy	4
		Investigated	2
		Inefficient light bulbs	4
		Criminal behaviour	2
		Avoid blackout	1
		Exchange programme	4
		Positive initiative	2
		Local exchange	4

## CAPE TIMES

### Table (Article) 2

Reporter: Melanie Gosling

Headline	Date	Constructs	Frequency
Residents fight nuclear proposal	19-July-2010	Protest march	8
		Nuclear power	11
		Jeopardise	2
		Environmental impact	2
		Atrocious	1
		Security reason	1



## CAPE TIMES

### Table (Article) 3

Reporter: Saliem Fakir

Headline	Date	Constructs	Frequency
<b>Feeding frenzy at the parastatal trough</b>	20-July-2010	Disparities in compensation	13
		Remuneration	12
		Workers and citizens	7
		CEO's and managers	13
		Self enrichments/bonuses	12
		Organisational ethos	17
		Golden handshake	1
		Strikes	4
		Politicians/presidency	2
		Government expenditure	4
		Socialised societies	5

## CAPE TIMES

### Table (Article) 4

Reporters: Babalo Ndenze and Sibusiso Nkomo

Headline	Date	Construct	Frequencies
<b>City targets cut in electricity subsidy for poor</b>	29-July-2010	Subsidy	8
		Electricity supply	13
		Tariff	19
		Basic electricity	15
		Stakeholders	13
		Rip off	1
		Cost of power	2

## CAPE TIMES

### Table (Article) 5

Reporter: Hermann Oelsner

Headline	Date	Constructs	Frequencies
<b>Darkness beckons</b>	24-Aug-2010	Renewable energy	18
		Electricity demand	1
		Capacity build-up	5
		Turbines	2
		Darkness	1
		Utility	1

## CAPE TIMES

### Table (Article) 6

Reporter: Melanie Gosling

Headline	Date	Constructs	Frequencies
<b>Energy experts slam Eskom's stance</b>	27-Aug-2010	Expensive electricity cost	13
		Generating electricity	7
		Energy/ expert / renewable	10
		Climate change	1
		Coal dependency	4
		Wind energy	17

## CAPE TIMES

### Table (Article) 7

Reporter: Dr. Kilian Hagemann

Headline	Date	Constructs	Frequencies
Light at tunnel's end	5-Oct-2010	Private sector	5
		Electricity cost	9
		Energy / power plants	6
		Independent systems	2

## CAPE TIMES

### Table (Article) 8

Reporter: Environmental writer

Headline	Date	Constructs	Frequencies
Incentive to keep electricity usage low 'taken away'	12-Oct-2010	Pensioners	1
		Residents / consumers	4
		Electricity usage	7
		Free electricity	10
		Electricity tariff	8
		Indigent poor	3
		Subsidized	1
		Eskom's 'blunt' response	4

**CAPE TIMES**

**Table (Article) 9**

**Reporter:** Melanie Gosling

Headline	Date	Constructs	Frequencies
<b>More power from Nuclear stations</b>	11-Nov -2010	Nuclear power	21
		Electricity generations	13
		Electricity cost	14
		Economic growth	4
		Carbon emission	2
		Radioactive waste	3
		Climate change	1
		Government/management on information	5

**CAPE TIMES**

**Table (Article) 10**

**Reporter:** Melanie Gosling

Headline	Date	Constructs	Frequencies
<b>2008 blackout won't happen again- study</b>	12-Nov-2010	Blackouts	5
		Power cuts/shortages	3
		Electricity price increments	10
		Electricity demand	11
		Economic growth	8
		Power station	1
		Disposable income	3

## CAPE TIMES

### Table (Article) 11

Reporters: Hilton Trollip and Leonie Joubert

Headline	Date	Constructs	Frequencies
Vested interests in shaping energy plan	29-Nov-2010	Water/dam	6
		Blackout	2
		Building power stations	7
		Electricity cost	15
		Energy efficiency	14
		Leaking pipes	4
		Investment propensity	8
		Equipment supply	2
		Carbon emission	2
		Curbing climate change	1
		Reducing demand	3
		Secret meeting/transparency	3
		Electricity systems	6

## CAPE TIMES

### Table (Article) 12

Reporter: Melanie Gosling

Headline	Date	Constructs	Frequencies
<b>Fuel defect shuts Koeberg</b>	16-Dec-2010	Shut down	12
		Reactors	9
		Radioactivity	5
		Faulty fuel	8
		Penalty clause	1
		Cost / maintenance	3
		Pin hole defect	2
		Gas turbines	1
		Electricity demand	3
		Nuclear fuel supply	7
		Blackout	4

## CAPE TIMES

### Table (Article)13

Reporter: Environmental writer

Headline	Date	Constructs	Frequencies
Dim view	11-Jan-2011	Electricity crisis	5
		Power cuts	2
		Nuclear/solar power	3
		Electricity generation	3
		World cup tickets	1
		Preference for secrecy	3
		Cost of electricity	3
		Borrow from World Bank	1
		Maintenance	1
		Executive salary increase	2

## CAPE TIMES

### Table (Article) 14

Reporter: Melanie Gosling

Headline	Date	Constructs	Frequencies
<b>Salt water dams seen as risk to wild areas</b>	1-Apr-2012	Identified/proposed dams	12
		Pump storage	6
		High demand	1
		Turbines electricity	1
		Sea water	6
		Project storage risk / flaws	3
		Leaks contamination	1
		Renewable energy	2
		Nuclear expansion	1
		Deflect attention	1
		Managing challenges	2
		Selected stakeholders	1



## CAPE TIMES

### Table (Article) 15

Reporter: Melanie Gosling

Headline	Date	Constructs	Frequencies
Government's 'U -turn on wind energy rate	20-June-2011	Energy produced	5
		Renewable energy	12
		Tariff and fixed price	16
		Treasury	6
		Bidding/approval process	3
		Business plans	3
		Procurement process	5
		Legislation	3
		Legal experts	1
		Deflect attention	1