



## **ASSOCIATION OF ACCREDITED LOBBYISTS TO THE EUROPEAN UNION**

### **ABOUT GLOBAL PUBLIC AFFAIRS**

Global Public Affairs is the practice of public affairs, government relations, corporate affairs and corporate communications on behalf of corporations, NGOs and public bodies.

Public affairs practitioners engage stakeholders in order to explain the organization's policies, provide statistical and factual information and to lobby on issues which could impact upon the organization's ability to operate successfully. Their work combines government relations, media communications, issue management, corporate and social responsibility information dissemination and strategic communications advice. They aim to influence public policy, build and maintain a strong reputation and find a common ground with these stakeholders

Today many organizations are no longer limited to interact and communicate with home publics (where their main offices are located), but additionally with host (where they operate internationally) and transnational publics (simultaneously acting in several locations and communication dimensions or media platforms). Therefore, global public affairs might be defined as strategic communications and actions carried out by private, government, or nonprofit organizations to build and maintain relationships with publics in socioeconomic and political environments outside their home location.

As businesses and particularly larger corporations have become increasingly conscious of the changing expectations held of them not only by their customers, but also by a wide array of stakeholders including governments, regulators, community groups and employees, they have come to recognize the value of having a professional communications and public affairs function capable of handling any contingencies that may threaten the stability and the reputation of the organization. Businesses face the challenge of managing their interface with regulators, pressure groups and others with a vested interest in a particular issue or situation that requires careful management to advance the business' interests in the face of what may be quite vociferous opposition (legitimate or not). It is here that the public affairs function often comes into its own acting as the 'corporate voice' and advocate of business interests, while seeking to assuage the concerns of opposition parties. Such challenges may be exacerbated when corporations operate across many international and global markets, and hence across a range of governmental and regulatory regimes. The increasing complexity of many issues and challenges that large international organizations may encounter nowadays has led to a growing demand for skilled and experienced public affairs professionals able to help resolve or combat the effects of such issues and "steer" organizations through what might prove threatening "reputational waters". In an increasingly politicized business environment, most major corporations recognize that the ability to exercise political influence may be a crucial factor in enhancing a business' financial and market performance.

Some conditions to achieve excellent global public affairs management are:

- Being globally effective
- Balancing the global and the local
- Public affairs in one unit (integration) or single coordinated department
  - They will create global strategies to preserve the entity's reputation, to retain consistent messages and identity, and to participate and handle problems that might cross borders
- Horizontal and team-oriented structure
- Consideration of public affairs agencies

The balance between the global and the local is achieved via coordination and control mechanisms. The aim is to keep the organization's direction and strategy on track. Management's toughest challenge is to balance the organization's global needs with its needs to adapt to country-level differences.

These are examples of control and coordination methods: Corporate culture; reports; visits to subsidiaries; management performance evaluation; cost and accounting comparability; evaluative measurement; information systems; global, cross-functional, and virtual teams; advisory personnel; management rotation and socialization; training programs; assemblies and special global or regional meetings; and keeping international and domestic personnel in closer proximity. Integrative communication devices are used to achieve a global balance, such as annual reports, websites, intranets, conferences, teleconferences, videoconferences, newsletters and bulletins, and codes of conducts and ethics.

Excellent international public affairs is integrated, meaning that worldwide, practitioners report to the public affairs department at headquarters and work under a single umbrella. It is recognized that senior managers in each country are responsible for activities in that country and that the senior practitioner must work closely with that senior manager. But if something negative happens anywhere, headquarters is ultimately responsible. Public affairs must be connected worldwide to build consistent programmes and respond quickly to problems that arise. A senior practitioner at headquarters must supervise all communication programs, and local practitioners must be trained to carry out the same organizational philosophies, themes and goals. This requires close cooperation and communication between offices and headquarters.

The more a foreign subsidiary's top management believes in government affairs as a strategic function, the more the subsidiary will formalize lobbying and relationship building with influential local and national officials and their agencies.

Global integration of public affairs will allow an organization to speak in one unified integrated voice across the national borders and to share organizational mission, goals, values, communication themes and best public affairs. However, different countries present an organization with different settings and with different challenges and to a certain degree require organizations to digress from the unified global strategy and lead to organizations designing and customizing public affairs programs to be adaptable to local environmental uncertainty and national regulatory barriers.

There must be a balance between global integration of public affairs and local responsiveness, whereby organizations are able to evaluate which strategy, integration or responsiveness, is

the most beneficial for each specific place and time. The mission and strategy of an organization's public affairs is upheld on the global level, while specific tactics are adapted to local environments and implemented locally.

There are two kinds of global public affairs of which a manager needs to be aware: (1) impacting public policy and the non-market environment in individual nation states, and (2) impacting public policy and the non-market environment of regional or global organizations comprising multiple national governments

Lobbying host governments may be carried out by organizations alone or joining forces with domestic organizations in the host nation. The understanding of why organizations are effective in lobbying host governments requires an appreciation of the broader economic and political context. Admittedly, shared interests with local industry substantially raise the likelihood that foreign industry will prevail

There is a three fold typology of approaches for managing the global public affairs function:

1. Professionalized Public Affairs Function: Traditional specialist public affairs function. The staff possesses relevant qualifications and/or professional credentials. It may operate as an embedded sub-function of corporate communications in some cases. Public affairs consultants may supplement in-house work.

2. Diversified non-specialist public affairs function: Staffing comprises more general corporate communications staff where public affairs represents perhaps a minority of the activity performed by the practitioners, with much of the work really in the area of corporate communications, marketing communications and media relations. Public affairs consultants may supplement in-house work.

3. Non-specialist managerially embedded public affairs provision: In this typology, public affairs representation is conducted by mainstream senior management staff, albeit with prior training and/or briefing by more experienced public affairs specialists and perhaps also with limited specialist back up. Public affairs may supplement in-house work.

Regarding training and expertise in public affairs globally, there is a need to build more consistent qualifications among practitioners worldwide. Senior public affairs officers are called upon to play an essential role in recruiting the best talents in regional and country roles because top communicators are essential building blocks for driving the communications function and positioning it strategically in the eyes of management. Many nations still have far to go to nurture adequate qualifications. And even senior executives need continuing education as the field faces new global dynamics.

In today's context, global public affairs is not just a matter of what to do at the global level and what else to carry out locally, as though each level operates in a separate universe. Instead it should be considered a global fusion of competency and creativity in all areas of the public affairs function throughout the organization. What is needed inside the transnational entity is for all relationship building to work cooperatively as equal members, with information sharing, input, idea banks, issues anticipation and all other functions performing equal, horizontal roles. These should be guided by a team leader who has constant access to and complete support from senior executives, a great listening mindset, and ability to encourage and persuade. When this global team is supported by senior executives of the organization,

positioned in the decision-making ranks at both the global and the local levels, with necessary budgets and resources, the opportunity for effective programming of global public affairs should significantly increase. From there, the public affairs officers should be focused on communicating with external constituents in a dialogic manner, using technologies not just as information dissemination tools but as mechanisms for listening to publics, understanding their desires and concerns and entering their conversations to create the mutually beneficial relationships that are so necessary to effective public affairs.