Introduction
The reforms introduced in post-liberalization by the government had a significant impact on the PR structure, processes and the policies being pursued by the finance companies in India.

Objective
The objective of the study was to investigate the impact of government policies on public relations activities being undertaken by the finance companies in India.

Methodology
It was a primary research involving PR professionals from the finance companies in India. A total number of 121 PR professionals participated in the interview through a structured questionnaire.

Result
The reforms introduced in post-liberalization had a significant impact on the PR structure, processes and the policies being pursued by the finance companies in India. 74.6% believed the impact of the discussed policies were positive whereas 25.4% believed it to be negative. The negative perception of over 25% of the respondents is a cause of concern.

Key Words: Public Relations, Government Policy, Liberalization, finance company

Introduction
Defining social interactions in civilized societies begins with public relations. It is a natural, recurrent theme running through timeless human engagements in the context of social groups. If we examine the best managed bygone civilizations, we find elements of contemporary PR practices, information, persuasion, reconciliation and cooperation. Public Relations is as old as human civilization. It has existed one form or the other. An ancient clay tablet, found in Iraq, told the Sumerian farmers, how to grow better crops over 4000 years ago. The Arabian tales relate how the celebrated Sultan Haroon-Al-Rashid used to wander about every night in disguise to see for himself as to what the people really felt about his administration. In the Ramayana, there is a character called Bhadro who used to report to Rama about popular feelings and perceptions. Employing professional birds to sing the glory of the king was an ancient custom in India. Much of what is known today about the exploits of the king and ancient civilizations is the result of the scribes seeking to glorify the achievements of a royal patron. However, Public Relations, as a management discipline, are a twentieth century phenomenon which is closely linked with the spurt in technology specially relating to the mass media. Coined in the USA in the first quarter of the twentieth century, the term public relations essentially meant how a company was perceived by the consumers and by the public at large. Over the years, its scope has come to encompass many publics such as employees, shareholders, bureaucracy, opinion makers, media, wholesalers, dealers, consumers, community and the people at large.

The growth of public relations can actually be seen at different stages. India has a legacy of varied public relations approach evident in the many phases of building an all India empire in the passage of history. From the precision of Chanakya’s social messaging to consolidate the vast realms of emperor Ashoka to the subtle public campaigns of the formidable foreign rulers, the Mughals and the Akbar’s visionary attempts to reconcile the majority.

It was not only the government but slowly the private sector in India also woke up to the need for public relations. Tata’s set up their public relations department in Mumbai in 1943. There were other companies too such as Dunlop, Unilever and others which did many public outreach activities. In
fact, the Tatas came with a course on public relations in 1958. However, the profession has seen traces of its growth in the public sector in India. Most of the early Public Relations practitioners started off their careers in the Public Sector Companies belonging to the sectors such as oil, gas, steel, transportation, banking and insurance. A public relations department in the PSU was a must who could communicate on behalf of the company with the media and its various stakeholders.

The change in the public relations practices related essentially to the changing face of the Indian consumer, now seen as confident, knowledgeable with heightened awareness and greater power. Some of the major factors which had an impact on the practice of public relations were the influx of global competition, arrival of international players and the emergence of new media. The last decade saw the global corporate world trying to find a place in the Indian market. The sophistication and understanding of the use of public relations slowly started to impact the way public relations was practiced in India. The growth of Cable and Satellite television “redefined” the horizons of PR professionals and now the emergence of the internet on TV and the mobile phone is “re-inventing” the public relations landscape in India. Added to all this is the arrival of international PR Agencies who have brought with them their learning and practices, thus providing the Indian PR professionals the much needed international exposure.

**Statement of Problem and the Need for the Study**

The task of managing a business has been becoming more complex and thus a better communications process is very necessary for controlling, coordinating and managing the various processes. The organizations are more focusing on developing two-way communicational system with their employees, customers and shareholders. The market has become more challenging and it is expected to rise further in future. Reputation risks are a major concern for the existing organizations as it determines the stock value. In this respect, importance of two-way communication and mutual understanding is expected to increase between the organization and its various stakeholders.

In the fast changing environment of business, corporate image is one of the major criterion for organizational success. Corporate reputation management primarily focuses on the managing the corporate risk within a business environment. Public Relation has emerged as an important subject of marketing communication in India. In the present business scenario, effective public relations have become one of the most powerful tools of marketing initiatives by an organisation. PR is a neutral voice and thus helps build a new brand or even rebuild an old brand. What is equally important is getting the media to authenticate your claims.

**Literature Review**

In his study “Media impact on corporate governance in India: a research agenda”, Dash (2012), analyses the impact of media on corporate governance and to develop a research agenda on the same issue in the peculiar Indian setting. This paper brings together the problems peculiar to the Indian situation indicating mass media’s scope for having some impact on corporate ethics, regulators responsibility and public opinion in India. Gupta (2011) in her study “Enhancing the Role of Corporate Communications: A Practice based approach”, develops a practice based approach to study roles, structure strategic contribution and interfunctional coordination of corporate communication of 25 organizations. The recommendations of the study were the followings (1) build corporate reputation and brand (2) measure business outcome and predictive indicators (3) perform boundary- spanning role strategically (4) promote symbiotic relationship with other functions Corporate. Mittal (2012), in his study, “Impact of brand image in selection of Banking Services by Business “, discusses about the impact of brand image in the selection of banking services by business houses functioning in and around India. It also aims to rank the factors responsible for selection of banking services. In her article “Professionalism in Indian public relations and corporate communications: An empirical analysis “, Gupta (2007) talks about the evolving nature of public relations in India and the growing
importance of the profession and its acceptance. The study is an attempt to measure the extent of professionalism in India and how much consensus, if any, exists regarding professional standards among practitioners in agencies and corporate houses. It also identifies the influence of demographic factors on the standards of the profession. Weiwei (2007) in his work “Impact of corporate image and corporate reputation on customer loyalty: A review” concludes that managers of service organizations should not consider exclusively intrinsic attributes in their communication strategy. These attributes are usually translated into customer satisfaction or service quality this is considered as the predominant antecedents of customer loyalty. In service industries, the association between corporate image or corporate reputation and a company’s offering is much more difficult to pin point because of the intangibility of the service. Contact elements may be considered as critical factors which determine the client’s perception of the image or reputation of service organisations. Regarding corporate communications, the results of the study suggest that marketing managers should emphasize and coordinate elements of corporate reputation which is strongly significant in the creation of a favourable image. Grunig (1995), in his paper entitled “Furnishing the Edifice: Ongoing Research on Public Relations :A strategic management function, traces the origins and development of a research tradition that conceptualizes public relations as a strategic management function rather than as a messaging, publicity and media relations function. The tradition began serendipitously with the development of the situational theory of publics in the late 1960s followed by the application of organizational theory to public relations, the symmetrical model of public relations and evaluation of communication programs. The excellence study, which began in 1985, brought the middle level theories together and produced a general theory, a theoretical edifice, focused on the role of public relations in strategic management and the value of relationships with strategic publics to the organization. Since the completion of excellence study, scholars in this research tradition have continued to improve and furnish the edifice by conducting research to help public relations professionals participate in strategic decision making.

Although the concept of public relations was defined by many researchers from various perspectives but it was strongly argued by Wilcox (2001) that that most of these definitions were redundant as they focus on only few elements of the whole public relations role. Wilcox stated that public relations are a process involving many subtle and far reaching aspects. It includes research and analysis, policy formation, programming, communication and feedback from numerous public. Bardhans (2003) combines a cultural analysis approach with ethnographic fieldwork in an attempt to move away from the culturally constituted met narratives of the 4 models and practitioner roles of public relations and it provides an insight out or empirical analysis of the cultural context of public relations in India. In doing so, it is able to foreground some of the assumptions that underlie these meta narratives, assumptions that are not always congruent with the Indian cultural context. Sharma (2008) talks about the growing adoption of formal PR into the business practices by the corporate houses. Indian corporations that wanted to gain global visibility as well as compete locally on reputation and brand marketing took the lead in bringing the formal PR practices to the country. In these studies, the scholars have defined the various aspects of the growth and development of public relations in India but none of the researchers have analyzed the impact of the policies of liberalization pursued by the government on the public relations policies in the finance sector in India. Therefore, there was a need to undertake the present study to understand the impact of liberalization on the growth and development of public relations in the finance sector in India.

**Identifying Variables**

The policies pursued by the government of India in the post liberalization period had a significant impact on the PR structure, policies and processes being pursued by the finance companies in India. The dependant variables in the present study were PR processes, practices and structures in the post liberalization phase while the independent variables were government policies and economic reforms.
Hypothesis of the Study
The economic policies pursued by the government post liberalization had a significant impact on the public relations policies pursued by the companies in the finance sector in India. The policies pursued by the regulatory bodies also had a great impact on the growth and development of public relations in the finance sector in India.

Methodology

Questionnaire Design – The questionnaire design for the present study was based on a plan, structure and strategy to answer a problem which was identified for the study. In this study, the dependant variables were PR processes, practices and structures in the post liberalization phase while the independent variables were regulatory bodies, government policies and economic reforms.

Data Collection – In the present study, data collection was done in two stages. In the first stage, a pilot study was done to ascertain the research parameters and to test the validity and the reliability of the instrument to be used in the study. In the second stage, the primary data was collected by using the various instruments of the study. The instrument used was a self-administered questionnaire. The secondary data was collected by scanning literature, professional magazines, research papers and various research reports.

Sample Size – The study was conducted in Mumbai, Delhi, Bangalore, Pune, Hyderabad and Ahmedabad. The study incorporated 50 companies in the realm of finance which are based in those cities. The selection criteria was based on their size, annual turnover, number of employees and the budget on PR. Mumbai being the finance capital of the country, the number of public relations professionals who participated in the survey were the maximum.

Sample Size of PR Professionals

<table>
<thead>
<tr>
<th>Cities</th>
<th>Professionals</th>
<th>Turnover</th>
<th>Male /Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mumbai</td>
<td>50</td>
<td>500 to 1000cr</td>
<td>27/23</td>
</tr>
<tr>
<td>Delhi</td>
<td>30</td>
<td>200 to 1000cr</td>
<td>24/7</td>
</tr>
<tr>
<td>Bangalore</td>
<td>20</td>
<td>100 to 500cr</td>
<td>8/12</td>
</tr>
<tr>
<td>Pune</td>
<td>11</td>
<td>100 to 500cr</td>
<td>7/4</td>
</tr>
<tr>
<td>Ahmedabad</td>
<td>10</td>
<td>100 to 500cr</td>
<td>6/4</td>
</tr>
</tbody>
</table>

Data Analysis – Data was analysed based on both the primary and the secondary information and the conclusions were derived based on the analysis.

Results of the study
A sample size of 121 PR industry professionals were studied as a part of the research. These PR professionals belonged to Banks, Mutual Funds, General Insurance and Brokerage Services Companies. The Sample had 52% male and 48% female PR professionals, the age group of sample was mainly between 25-35 years with a weightage of 53% and 35-45 years with 36%. It was observed that 84% of the population under study had completed their post-graduation.80% of the companies whose PR professionals were studied had their own PR department while 82% had their own PR budget. Though there was a drop in case of structured PR policies, viz 75% had their own PR policies.

The analysis was done in two parts -
- Regulatory Bodies
- Post liberalization Reforms
Hypothesis - 1 - Dependence of PR practices on policy initiatives by regulatory bodies

Table - 1
Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.728a</td>
<td>.530</td>
<td>.526</td>
<td>.463</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), policy_initiatives_by_regulatory_bodies

Table - 2
ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>26.801</td>
<td>1</td>
<td>26.801</td>
<td>125.176</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>23.766</td>
<td>111</td>
<td>.214</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>50.566</td>
<td>112</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: PR_practices
b. Predictors: (Constant), policy_initiatives_by_regulatory_bodies

In Table - (1) of hypothesis - (1), it was observed that the value of R Square was .530 while the adjusted R.Square was .526. The objective was to understand the impact of policy initiatives by regulatory bodies on the public relations practices.

Anova was used to validate the data.

Inference: Since the significance value < 0.05, the hypothesis is confirmed.

Therefore, the effect of policy initiatives by the regulatory bodies on public relations practices is significant.

Hypothesis - 2 - Dependence of PR practices on post-liberalization reforms

Table - 1
Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.737a</td>
<td>.543</td>
<td>.539</td>
<td>.522</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), post-liberalization reforms

Table - 2
ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
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<td>1</td>
<td>38.415</td>
<td>141.183</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>32.379</td>
<td>119</td>
<td>.272</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>70.793</td>
<td>120</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: PR_practices
b. Predictors: (Constant), post_liberalisation_reforms
In Table-1 of Hypothesis - 2, it was observed that the value of R Square was .543 while the adjusted R Square was .539. The analysis was done to understand the impact of post liberalization reforms on public relations in India. Anova was used to validate the data.

**Inference**: Since the significance value < 0.05, the hypothesis is confirmed. Therefore, the effect of post-liberalization on public relations practices is significant.

**Conclusion**

The structure and function of public relations undergone many changes post the introduction of new economic policies by the government. The liberalised policies had a major impact especially on the finance sector which was highly regulated and bureaucratic in nature. Each of the finance institutions which were earlier having only a marketing and liaisoning department, started the process of creating the public relations departments of their own. Public Relations professionals were hired to manage the image of the finance institutions at different levels in the organisation. These professionals started playing a very prominent role in managing the various stakeholders from the perspective of the image of the organisation. The post liberalization phase also witnessed the entry of many MNC PR Agencies who established their offices in India. They brought with them many new PR policies, processes and practices which were non-existent in India. In conclusion, it can be said that the implementation of new economic policies in the post liberalization era had major impact on the growth and development of PR in India.

**Managerial Implications**

Organizations need several management functions to operate to their optimum to contribute to their success. These management functions include; finance, legal, human resources, marketing and operations. Public relations can be considered as a common variable to all these functions as it has the goal of developing and maintaining relationships with all of the organization's publics and stakeholders by effectively communicating with these groups. All publicly traded companies need to operate within a set of guidelines, standard benchmarks, and regulations as defined by the government. The liberalized policies pursued by the government had a major impact on the public relations policies being pursued by various companies. There was a realization of a need to create a separate public relations department which were earlier combined with marketing. It also resulted in making specific budget allocated for the public relations function in the organization.

**Limitation & Scope of Research**

The scope of the present study included only companies which are in the realm of finance in India. The study was not be able to incorporate the companies from all the sectors as a part of the study considering its magnitude and time. Besides, the scope of the present study included some select companies based on the various parameters in some selected cities in India.

**Contribution to Research**

There have been numerous researchers who have studied public relations, its evolution and its impact. This present study focussed on the impact of post liberalization policies on PR. There have been volumes of studies on the growth and development of PR in India in the past, but this research has managed to look at the correlation between post liberalization policies pursued by the government on public relations. A thorough focused survey has been used to understand the perception of the PR professionals in finance sector on the new economic policies and its impact on PR. The gaps in studies done in the past shows that this research tried to fill the void by focussing on public relations practices in financial sector and by drawing comparisons with other services industries. Furthermore, the effect of policies laid down by regulatory bodies and the post-liberalisation reforms on public relations practices have also be studied.
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