



**TWITTER AS A STAKEHOLDER ENGAGEMENT
TOOL FOR NON-PROFIT ORGANIZATIONS IN
MALAYSIA**

BY

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ABSTRACT

Social media offer numerous opportunities for Non-Profit Organizations (NPOs) to directly engage and interact with their stakeholders. Social media sites such as Twitter is a tool that offers new ways to develop and maintain relationships between organizations and their audiences. The study affirms that Twitter has the potential to enhance two-way communication that subsequently helps organizations to achieve their intended goals. The objectives of this research are to discover to what extent and reasons for using Twitter among NPOs in Malaysia, and how NPOs in Malaysia use Twitter to build online relationships with their stakeholders. To determine whether Twitter communication tools are actively being used for stakeholder engagement by NPOs, a content analysis of organizational tweets and semi-structured interviews are conducted. Specifically, 10 renowned humanitarian and medical relief NPOs located in Kuala Lumpur that have active Twitter account are selected for this study. Data is obtained from Twitter accounts as tweets, retweets, hashtags, public messages, and hyperlinks. At the same time, semi-structured interview is conducted with communication practitioners and social media practitioners. Data is analysed using thematic approach. The finding of this study shows that NPOs in Malaysia use Twitter as a promotional and network building tool. In terms of engaging with stakeholders, the constrains and limitations of Twitter made practitioners to underutilize the two-way dialogic communication. In terms of recommendation, the study suggests that NPOs need to integrate and imply more features in an effective manner into their tweets that lead them to two-way interactive conversation with their potential stakeholders to sustain and maintain relationship.

ملخص البحث

تقدم وسائل الإعلام الاجتماعية العديد من الفرص للمنظمات التطوعية الغير ربحية من أجل التعامل مع أصحاب المصالح لها مباشرة والتفاعل معهم. وتعد مواقع تويتر (Twitter) كنموذج من الوسائل أو الأدوات الإعلامية التي توفر طرقا جديدة للتطوير والحفاظ على العلاقات بين المنظمات وأصحاب المصالح لها. وهذه الدراسة تؤكد بأن تويتر لديها القدرة الكامنة لتعزيز العلاقات الثنائية التي تساعد المنظمات لتحقيق أهدافها المنشودة. ويهدف البحث إلى كشف أسباب ومدى استخدام تويتر عند المنظمات التطوعية في ماليزيا، وكيفية استخدامه لبناء العلاقات عبر الإنترنت مع أصحاب المصالح لها. وقد قام الباحث بدراسة تحليلية للموضوع مع إجراء المقابلات الشخصية شبه المنظم، لتحديد مدى استخدام هذه المنظمات التطوعية لأدوات التواصل تويتر فعلا في التعامل مع أصحاب المصالح لها أم لا. وقد اختار البحث بشكل خاص عشرة من المنظمات التطوعية الشهيرة المخصصة للإغاثة الإنسانية والطبية في كوالالمبور والتي لديها حساب تويتر. وقد تم حصول البيانات من حسابات تويتر خلال تويت، ورتويت، وملاحظات هامشية، والرسائل العامة، والرباطات الشعبية وغيرها. وفي نفس الوقت أجريت المقابلة الشخصية شبه المنظم مع المشتغلين في مجالات وسائل الاتصالات، ووسائل الإعلام الاجتماعية. وقد تم تحليل البيانات باستخدام المنهج الموضوعي. وقد توصلت الدراسة إلى نتيجة بأن المنظمات التطوعية في ماليزيا تستخدم تويتر كوسيلة أو أداة في بناء العلاقات مع أصحاب المصالح لها وتعزيزها. وفي ناحية التعامل مع أصحاب المصالح، فإن التقييد والقصور المفروضة في تويتر جعلت من الممارسين به يقللون من التواصل والحوار الثنائي. وأخيرا، يوصي البحث بأن المنظمات التطوعية بحاجة إلى إضافة المزيد من الميزات بطريقة فعالة في تعاملهم مع تويتر، التي تقودها إلى الحوار والمشاركة الفعالة مع أصحاب المصالح لها لتعزيز والحفاظ على العلاقة الثنائية فيما بينهم.

APPROVAL PAGE

I certify that I have supervised and read this study and that in my opinion it conforms to acceptable standards of scholarly presentation and is fully adequate, in scope and quality, as a dissertation for the degree of Master of Human Sciences in Communication.

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DECLARATION

I hereby declare that this dissertation is the result of my own investigations, except where otherwise stated. I also declare that it has not been previously or concurrently submitted as a whole for any other degrees at IIUM or other institutions.

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To my beloved parents who have always inspired and encouraged me by saying, “O my son! We want nothing from you but the service toward the Ummah”.

&

*To my supportive siblings,
Munira Iftekhar, Nurul Alam, Munawwar Hussain and Tanvir Ahmad.*

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CHAPTER ONE

INTRODUCTION

1.1. OVERVIEW OF THE STUDY

Unlike traditional communication channels, social media offer numerous opportunities for organizations to connect with their internal and external stakeholders through immediate participation, engagement and real-time feedback. According to Tredinnick (2006), social media are online communication channels that increase and enhance the sharing of user-participation and user-generated contents. In this case, social media work beyond delivering a message. These media help to improve credibility and relationships by listening and participating in a conversation with transparent communication (Holtz & Havens, 2009). Social media, such as Twitter, serves as inexpensive and strategic promotional tools for non-profit organizations (NPOs) to promote their ideas and events, solicit donations, support causes, interact and develop relationships with the public (Orrell, 2009; Roberts & Roach, 2009). Twitter not only serves as a medium of communication, but it delivers messages in a format that encourages relationship development between NPOs and their stakeholders. In other words, Twitter enables NPOs to engage in conversations across the Internet and these conversations activate passion and encourage people to act on causes they care about (Kanter, 2009).

Public relations scholars have given much attention to relationship management in the social media. They suggest that the function of public relations is to build and maintain a mutually beneficial relationship between organizations and the

public to achieve the organizational goals (Hon & Grunig, 1999). According to Kelleher and Miller (2006) asserted that online relationship tactics of social media like holding real-time conversation, sharing valuable contents, and engaging with supporters and donors help this NPOs to cultivate relationship with their stakeholders. Social media provide opportunities for NPOs to connect personally with various stakeholders including members, trustees, employees, volunteers, clients or users, customers, funders, contractors, the government, oversight agencies, community groups and watchdog organisations (Helmut, 2005). This kind of engagement fosters a sense of reciprocity and connectedness between donors and their causes (Greenberg & MacAulay, 2009).

Twitter, a combination of short messages, weblogs and social networks, is a comparably new communication tool for organizations. According to Comm and Burge (2009), recent statistics show that Twitter users are ideal audiences for NPOs to communicate with. This is because Twitter allows ease of immediate feedback by limiting the size of the messages, making the information easily digestible. For example, one 140-character tweet can spark a chain of reactions via re-tweet and click the link. This power of immediate feedback, collaborative conversation in real time, and virtually instantaneous communication opportunities make Twitter a popular medium to its users. Moreover, NPOs can reach a large number of public without any additional cost. Besides, the dialogue-based interface of Twitter enables NPOs to cultivate relationship effectively. This will increase the likelihood for NPOs and the public to understand and respect each other that build a platform for future dialogic communication (Kent & Taylor, 1998).

In Malaysia, there are 3.5 million Twitter users and average 5.4 million tweets are posted per day in 2014 (Social baker, 2014). However, it is important to note that

previous researchers argued many NPOs are not using the social media to its full potential (Gandía, 2011; Rybalko & Seltzer, 2010; Greenberg & MacAulay, 2009). A content analysis conducted by Greenberg and MacAulay (2009) on environmental NPOs in Canada found less than 10% of websites in the sample included dialogic features such as live chats and discussion boards. Very few researches have been found on online relationship using the social media like Twitter for stakeholder engagement by NPOs in Malaysia. Thus, the current study aims to investigate how NPOs in Malaysia utilise Twitter to communicate and develop online relationship with their stakeholders.

1.2 STATEMENT OF THE PROBLEM

Millions of people share ideas and opinions, insights, experiences, products and brands through the social media. It has been observed that social media such as Twitter appears as a popular tool in staying connected, voicing opinions, reaching out to others, and above all, developing both new and existing relationships. This study argues that Twitter offers huge potential for organizations to develop two-way communication with their stakeholders. Particularly for NPOs, Twitter presents a myriad of opportunities for connecting with organizational public and providing the kind of relationship that has been missing from the websites.

Since the rise of competitive donor environment, NPOs need to cultivate relationships with various stakeholders to increase their financial and advocacy capital (Greenberg & MacAulay, 2009). According to Kent, Taylor and White (2003), NPOs depend on donors and volunteers to achieve their mission. NPOs tend to have smaller marketing budgets and resources than profit-driven organizations, and thus, little budget devoted to facilitating online connections with their target audiences. Free

social networking sites like Twitter can lower the transactional costs for NPOs to organize and deliver information to the public through two-way dialogic interaction. In return, Twitter followers can also contribute to NPOs' growth more than just financially.

Unfortunately, many NPOs are missing this opportunities by unattended and out-dated Twitter profile pages. Some NPOs do not even have their own Twitter pages at all (Gandía, 2011). Waters, Burnett, Lamm and Lucas (2009) affirm that organisations can lose their potential supporters by lack of utilization of their Twitter accounts. On the other hand, some NPOs are using Twitter as an outlet for disseminating information without engaging or upholding the dialogic principle (Bortree & Seltzer, 2009; Lovejoy, Waters, & Saxton, 2012). This might be a great barrier for NPOs to achieve their mission. Furthermore, those who do have Twitter accounts often do not employ the right strategies or fail to fully utilize the interactive functions of Twitter. This could also weaken the potential to cultivate relationships with their stakeholders.

In addition, previous research on stakeholder engagement using the social media are mainly conducted in the United States (Greenberg & MacAulay, 2009; Water et al., 2009; Curtis et al., 2010) or mainland Europe (Ingenhoff & Koelling, 2009). On the other hand, most studies on stakeholder engagement in Asia especially in Malaysia are related to the issues of corporate social responsibility (Ataur Rahman Belal & Robin, 2010) or financial reporting based (Saunah Zainon, Ruhaya Atan, Yap Bee Wah & Roland Yeow Theng Nam, 2011). Therefore, this study aims to investigate the Twitter usage by NPOs in Malaysia for stakeholder engagement from public relations perspective.

1.3 PURPOSE OF THE STUDY

The purpose of the study is to explore how NPOs in Malaysia are using Twitter to develop online relationships and to what extent they use Twitter to engage with their stakeholders. This raises a speculation that Twitter can provide opportunities for connecting personally, building, monitoring and reviving relations for NPOs through frequent posting of short status updates like tweets. With 140 characters, its contents are assumed to be clearer, more concise and creative compared to other social networking sites. Compared to Facebook, organizations and individuals can follow as many people as they like and be followed by those they do not personally know. Reciprocal following gives the impression of empowering donors, influencers and volunteers support that the organizations want to know what they are interested in, even if they never actually read the users' tweets (Lovejoy et al., 2012). Twitter is also considered a valuable and professional tool for businesses e.g. in marketing (Evans, 2008), in crisis communication (Veil, Sellnow & Petrun, 2011), and for stakeholder engagement (Fieseler, Fleck & Meckel, 2010). Not to mention that Twitter is the social medium most often used in strategic communication campaigns (Waters & Jamal, 2011) making it relevant for this study.

In order to investigate a better understanding of how NPOs use Twitter to communicate with their stakeholders, this study has adopted qualitative content analysis and semi-structured interview approach to gather data. The content analysis data is collected and examined from 10 selected NPOs' Twitter accounts in Malaysia within one month which include tweets, retweets, hashtags, hyperlinks and public messages (PM). At the same time, 5 semi-structured interviews have been conducted with public relations practitioners and social media practitioners working in these

NPOs to identify the reasons, opportunities and constraints to build relationship with stakeholders through Twitter.

1.4 RESEARCH OBJECTIVES

The main objective of this study is to gain a better understanding about Twitter usage by NPOs to engage with stakeholders. Specifically this research investigates the impact of Twitter on maintaining and developing relationship among NPOs and their stakeholders. Since with limited financial capital, NPOs need to look for low-cost effective communication tool like Twitter to engage with their various stakeholder.

The objectives of this study are to:

- i. Explore to what extent NPOs in Malaysia are using Twitter.
- ii. Examine the underlying reasons for using Twitter among NPOs in Malaysia.
- iii. Investigate how NPOs use Twitter to build online relationships with stakeholders.
- iv. Identify the opportunities and constraints in building online relationships using Twitter.

1.5 RESEARCH QUESTIONS

The purpose of this study is mainly to examine how organizations use Twitter to engage stakeholders. The specific research questions are:

RQ1: How do NPOs in Malaysia use Twitter?

RQ2: What are the underlying reasons for using Twitter among NPOs in Malaysia?

RQ3: How do NPOs in Malaysia use Twitter to build online relationships with their stakeholders?

RQ4. What are the opportunities and constraints available for NPOs to build relationships with their stakeholders using Twitter?

1.6 SIGNIFICANCE OF THE STUDY

Organizations especially NPOs are utilizing different strategies and tactics to engage with stakeholders through the social media. Social media offers wide opportunity for NPOs to create a dialogic communication that is changing the way organisations communicate and manage relationships with their various stakeholders. The groundbreaking of dialogic communication in social media's relationship strategy requires two-way communication between individuals and the organization based on reciprocity, mutuality, involvement to influence the development of relationship (Kent & Taylor, 2002; Ferrazzi & Raz, 2010). The results of this study also contribute greatly to comprehend the true potential of Twitter usage by evaluating its opportunities and constrains for stakeholder engagement by NPOs.

In addition, the potential usage of dialogic capabilities of Twitter, such as the real-time interaction and the actual usage could provide insight into the application of Twitter for relationship building purposes for non-profit organizations. Since non-profit organizations rely heavily on their stakeholders, communicating with them is one of the main functions of such organizations (Taylor, Kent & White, 2001). Therefore, the findings of this research offers both NPOs and practitioners a new insight and knowledge about how Twitter helps to develop meaningful relationships between non-profit organizations and their stakeholders in order to achieve their mission and goals.

1.7 DEFINITION OF TERMINOLOGY

The terms used in this study are operationally defined as follows:

Twitter – a social media platform that allows users to send out a brief 140-character text message to followers and followers of hashtags.

Tweet – a microblog of up to 140-characters posted using the social media platform Twitter.

Retweet- reposting a tweet content that has been posted by another user in Twitter.

Hashtag - a tag embedded in a Twitter text message; used to mark keywords and disseminate these messages under searchable, content related labels.

Public Message-direct message on Twitter to communicate quickly and privately with one or many users about tweet and other contents.

Social Media – platforms for electronic communication through which users create online communities to share information, ideas, personal messages, and other content.

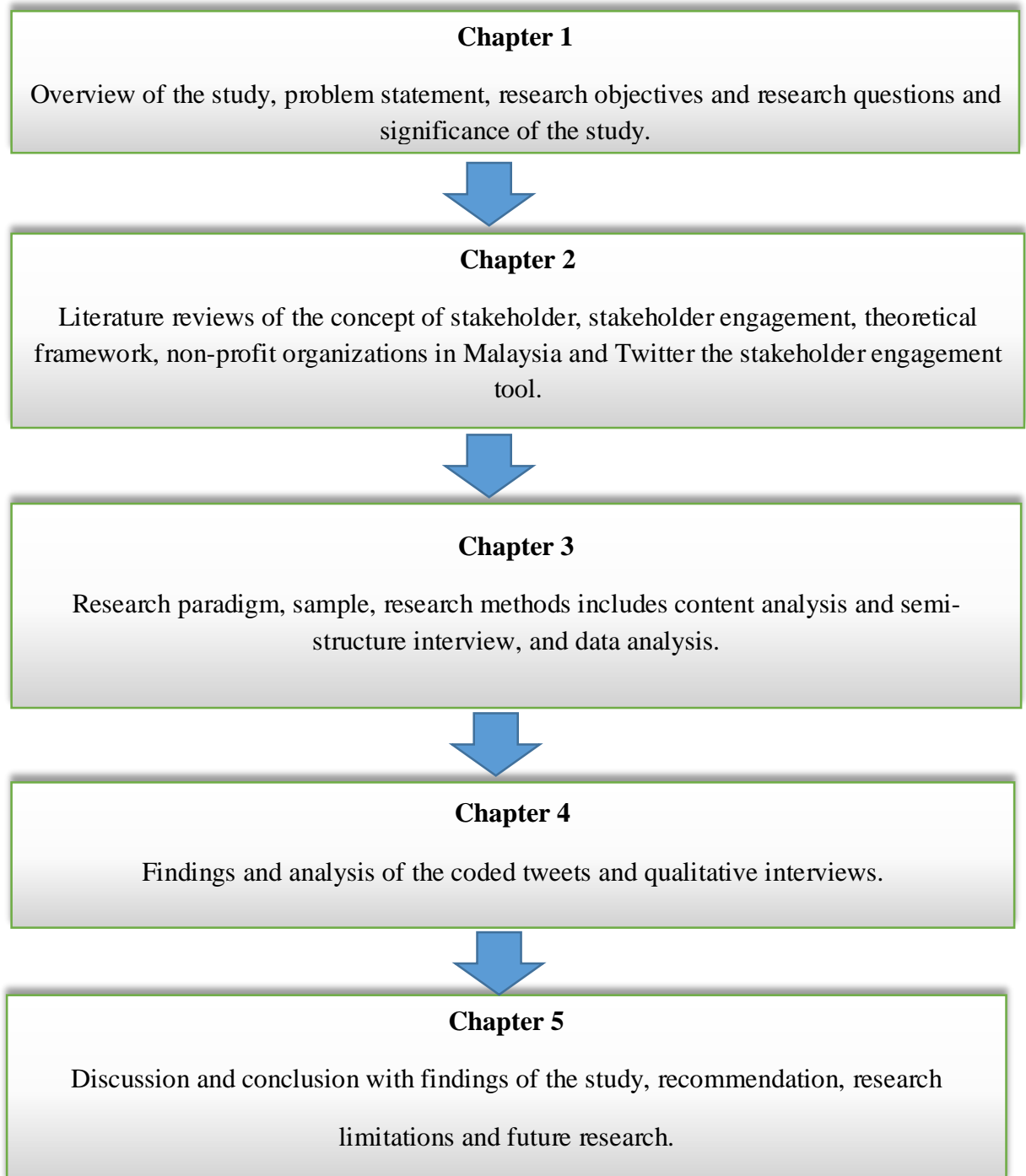
Social Network – online communities of people with a common interest who use a website or other technologies to communicate, collaborate, and share information and resources.

Stakeholder Engagement- the act of communication between NPOs and their stakeholders where both mutually interact to get benefit from each other.

Dialogic Communication- the two-way dialogue based communication that helps organization to build and maintain relationship with its stakeholders.

Non-profit Organization- an organization that is neither a governmental nor a conventional for-profit serving for the benefits of the people without profit making.

1.8 THESIS STRUCTURE



CHAPTER TWO

LITERATURE REVIEW

This chapter illustrates the concept of stakeholder, stakeholder engagement and managing stakeholder relationship through dialogic communication for non-profit organizations (NPOs). Finally, the chapter addresses Twitter as the new medium for stakeholder engagement for NPOs. This chapter concludes with a brief summary and a review of the significant research questions that this inquiry seeks to address.

2.1 THE CONCEPT OF STAKEHOLDER

The stakeholder concept has become a key to understanding business and societal relationships. According to Freeman (1984), the word ‘stakeholder’ is coined in the 1960s which helps to understand the idea of a stake as an interest in or a share in a claim to a right to something and a demand for something due or believed to be due or owed (Carroll, 2007: p. 505). Given this description of what constitutes a stake, the stakeholder is an individual or group that claims to have one or more of the various kinds of stakes who may affect or may be affected by a firm’s actions, policies, decisions, goals or practices (Carroll & Bucholtz, 2006; Freeman, 1984). In a different account, Savage, Nix, Whitehead and Blair (1991) define stakeholders as any groups or individuals who “have an interest in the actions of an organization and ... the ability to influence it” (p. 15). Dill (1975) asserts that a firm can deal more effectively with stakeholders, with an emphasis on open communication and increased interactions. In this study, stakeholder refers to any individuals or groups who are directly or indirectly affected by organization actions, as well as those who may have

interest in the actions or the ability to influence its outcome, either positively or negatively.

2.1.1 Categories of Stakeholders

Stakeholders can be identified and categorized in different ways. Waddock (2001) proposes two categories of stakeholders: the primary stakeholders and the secondary stakeholders. Primary stakeholders are certain individuals and groups who have legitimacy on management. That is, they have a legitimate interest in or claim on the operations or practices of an organization. Examples of these are owners, shareholders, employees, customers, and suppliers. Meanwhile, secondary stakeholders refer to communities, governments, special interest groups, the media, society or the public at large (Bonner, 2010). In addition, Henriques and Sadosky (1999) classify four critical stakeholder groups:

- (1) regulatory stakeholders (e.g. governments, trade associations, informal networks, and a given firm's competitors);
- (2) organizational stakeholders (e.g. customers, suppliers, employees, and shareholders);
- (3) community stakeholders (e.g. community groups, environmental organizations, and other potential lobbies); and
- (4) the media.

However, according to Fineman and Clarke (1996), stakeholders are socially constructed; the identification and classification become far more complicated in its rationale and methodology. Stakeholder groups themselves cannot be assumed to be either homogeneous or stable because the individuals who constitute them belong to and interact with more than one group (Crane & Livesey, 2003; Gao & Zhang, 2001). Like other profit oriented companies, non-profit organizations operate in complex

environments with multiple stakeholders, such as funders, referral agencies, government officials, volunteers, and clients or participants (Balsler & McClusky, 2005). One of the hardest tasks for any non-profit organization is to determine how to balance the needs and expectations between the organization and its various stakeholders. Generally, a non-profit organization has three groups of stakeholders that include:

1. The recipients of the organization's products and services constitute one set of constituents. These are its customers.
2. Non-profits are dependent on donors, members, or endowments to provide financial resources that allow them to pursue their mission. The individuals and companies that provide these financial resources are also stakeholders.
3. Non-profits rarely have the resources to pay huge salaries and bonuses to their employees. In most cases a non-profit's management and workers are devoted to the organization's mission and provide labour, expertise, or both for remarkably little compensation, or for free as volunteers. The employees and volunteers, therefore, should also be recognized as stakeholders in the organization (Non-Profit Boards and Governance, 2012).

Stakeholders' interests are great influence over NPOs. Therefore, NPOs 1) typically require resources and legitimacy from their stakeholders and these are not necessarily predictable or controllable, and 2) need to take into account the organizations, groups or individuals that may show interest in their project or campaign (Balsler & McClusky, 2005). Consequently, NPOs need to be more aware of their stakeholder engagement tools and strategies to achieve their goals. In the context of Malaysia, NPOs need to establish a mutual beneficial relationship with their

various stakeholders including donors, funders and volunteers to remain sustainable. Therefore, it is essential for NPOs to identify the right tool to engage with stakeholders. This study therefore examines how NPOs in Malaysia use communication tool like Twitter to engage with their various stakeholders.

2.2 STAKEHOLDER ENGAGEMENT

There is widespread consensus on how scholars define “stakeholder engagement”. Engagement is the act of managing relationship between the organisation and the different stakeholders in order to enhance the effectiveness of the decisions, strategies and behaviour (O’Riordan & Fairbrass, 2008). Similarly, Greenwood (2007) defines stakeholder engagement as the process of involving individuals and groups that are affected by the activities of the company in a positive way. He further states that stakeholder engagement is a process of “consultation, communication, dialogue and exchange” (p. 322). In addition, Freeman (1984) affirms that an organisation’s success depends on creating real conversation with its diverse stakeholders that offers instantaneous two-way communication.

The main reason organisations are moving towards stakeholder engagement is to increase inclusiveness, openness, trust, transparency, empowerment, clarity and to provide better communication on their activities and impacts (Burchell & Cook 2006). In order to respond to the demands of stakeholders, organisations must know about the different interests, concerns and expectation of various stakeholder groups towards organisational activities.

According to Friedman and Miles (2001), organisations may employ different strategies to engage with their stakeholders. These strategies encompass several levels that include: