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Towards Corporate Communication Excellence in a Changing Environment

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Abstract

Corporate communication is a relatively new concept that embraces various sub-disciplines of communication within organisations, such as managerial communication, organisational communication, public relations and marketing communication. Emphasis in corporate communication in recent years has been placed on co-ordination and integration of all the organisation’s communication activities. Due to the uniqueness of organisational culture, organisational personality and global influences, integration and co-ordination of all communication have become more evident.

Organisational transformations are part of reality. Today the only constant variable is change. As organisations undergo metamorphoses, complex networks of transformations take place. The central argument in this paper is that corporate communication can ease the pain of change for organisations. The correct application of both internal and external communication will enhance the effective management of the organisation. Three objectives were identified and addressed through an extensive literature review: (1) to conceptualise corporate communication in a changing environment, (2) to describe how corporate communication could enhance the management of change, and (3) to describe the value of strategic management of corporate communication.

The paper concludes with proposing a ten-step corporate communication strategy, which could enhance corporate communication excellence in a state of flux. The focus of this strategy emphasises co-ordination and integration of all organisational communication.

1. Introduction

There are two variables under discussion, which emphasises the essence of this article: corporate communication, and change.

According to Giglio, Diamante & Julie (1998, p. 26) organisational transformations – be it through mergers, acquisitions, hostile take-overs or internal/external pressures – have become a normal part of the workday. As organisations undergo metamorphoses, a complex network of transformations takes place. These changes within the organisation must fit the needs of the business environment in order to keep the organisation healthy.

The director of marketing and communication at the Potchefstroom University, Mr. Theo Cloete (2003: personal interview), explains that the changing environment for business is evident in present times, and that the corporate communication function has to change accordingly. Argenti (1998, p. 2) explains that certain stakeholder attitudes changed towards businesses due to historical events such as war, the rise of radicalism in the 1960’s, the oil embargo in the 1970’s, the economic boom in the 1980’s and the Gulf War during the 1990’s.

At the beginning of the new millennium the events in New York on September 11, 2001, the Afghanistan War during 2001 and the second Iraqi war in 2003 also contributed to the changing perceptions of especially global corporate American businesses. Throughout these eras the role of the corporate communication practitioner in the changing of public opinion and public perceptions cannot be ignored.
The role of the corporate communication practitioner is relevant not only in the business field, but also in non-profit organisations, NGO’s and governments. The practitioner should anticipate change and align his organisation’s corporate communication accordingly to realise organisational objectives effectively.

Verwey and Du Plooy-Cilliers (2003, p. 186) indicate that the sooner organisations practise the routine of change, the greater the chances of organisational survival and sustainability are. The management challenge today is not so much to plan for change, but to learn to live with it, anticipate it and to capitalise on it. Both Puth (2002, p. 112) and Verwey and Du Plooy-Cilliers (2003, p. 193) indicate that communication can indeed ease the pain of change.

Corporate communication is a relatively new concept that embraces various sub-disciplines of communication within organisations, such as managerial communication, and public relations and marketing communication. According to Van Riel (1995, p. 1-10), corporate communication evolved from public relations. It is the total integration of the organisational message, thereby helping to define the corporate image as a means to improve corporate performance.

There exist various definitions of corporate communication. Some emphasise the aspect of integration, some focus on the enhancement of the corporate image and identity, and others stress the “wholeness” or totality of all communication in the organisation. The diversity does not necessarily restrict the scope of corporate communication, but rather accentuates the diversity of variables that describe corporate communication. It depends on the researcher’s angle or approach.

A working definition for corporate communication could be read as follows: It is the sum total of all communication within an organisation that is generated to achieve company objectives.

2. Research problem

Corporate communication refers to all the communication within an organisation. The enhancement of all the various elements of corporate communication will ease the pain of change of an organisation in a state of flux. However, it happens that organisations neglect certain elements of corporate communication due to various reasons, which ultimately lead to poor communication. On the other hand, they over-emphasise some of the corporate communication elements instead of integrating and co-ordinating all communication efforts.

The central theoretical statement for this paper is: Corporate communication can ease the pain of change for organisations. The correct application of both internal and external communication will enhance the efficiency of management of the organisation.

Specific research questions:
1. How does an organisation conceptualise corporate communication in a changing environment?
2. How does corporate communication enhance the management of change?
3. What is strategic management of corporate communication?

3. Research aims

The objectives of this paper are as follows:
- To conceptualise corporate communication in a changing environment.
- To describe how corporate communication could enhance the management of change.
- To describe the value of strategic management of corporate communication.

4. Method

Mouton and Marais (1988, p. 33) explain that “the aim of a research design is to plan and structurise a given research project in such a manner that the eventual validity of the research findings is maximised”. The achievement and refinement of the objectives of this research necessitated the use of the descriptive literature study. The theoretical background based on the literature review provides the foundation for the discussion concerning the nature of the topic.
A preliminary literature study and data review searches on NEXUS; in the Ferdinand Postman Library Catalogue at the Potchefstroom University for Christian Higher Education; SA Cat; Business Periodicals Index and EBSCO Host were undertaken on corporate communication, marketing communication, managerial communication, organisational communication and public relations. This assisted in uncovering a number of scholarly and practitioner articles discussing the role of corporate communication in a changing environment.

The comprehensive and extensive literature study was conducted in order to elucidate the basic assumptions of corporate communication and to identify any relevant issues in this field of research. Additional information regarding the application of corporate communication was obtained via the Internet.

5. Discussion

The discussion follows the set of aims of the paper, as indicated above.

**Aim one: To conceptualise corporate communication in a changing environment**

The evolution of corporate communication from the emphasis on line functions to that of staff and strategic functions had certain implications on the development and practice of the discipline. According to Rensburg & Cant (2002, p. 40) public relations evolved over many years, but only recently – during the last decades of the previous century – became more prominent in the corporate world.

Large emphasis on public relations from an American perspective is evident, because public relations as practised today, originated in the United States. Similar trends in the development of public relations in the USA took place in Europe. The profession began organising itself into associations at approximately the same time in most European countries. It was during 1955 in London that the International Public Relations Association (IPRA) was founded.

In the introduction it was stated that corporate communication includes all elements of communication in organisations. Van Riel (1998, pp. 8-27) gives an overview of the elements of corporate communication, such as managerial communication, organisational communication and marketing communication.

How would one conceptualise corporate communication in a changing environment? By analysing the following broad categories, one would assume that corporate communication is indeed the total communication of an organisation that enhances its aims. It is therefore imperative that corporate communication should be strategic, deliberate and understandable. The traditional view of corporate communication holds that it could be divided into three main sub-disciplines. Van Riel (1995, pp. 1-10) explains that the focus is mainly on managerial communication, marketing communication and organisational communication. The classification by Van Riel (1995) seems to be both pragmatic and functional. However, the classification of public relations under organisational communication is problematic and for the purposes of this article public relations are viewed as an independent discipline with various fields underneath it.

Managerial communication according to Van Riel (1995, p. 9) refers to managers’ communication with internal and external target groups, not only to transmit authority, but also to achieve co-operation. Confusing variables such as integrated communication and total communication tend to relate the above-mentioned forms of communication. It is therefore imperative that these concepts are conceptualised within the corporate communication domain in order to explain the role of corporate communication in a state of flux. In a changing environment – a country in political, economical and social flux or instability – the organisation that manages change through proper corporate communication will survive.

Management’s use of communication aims to achieve desired results where the following is concerned: developing a shared vision of the company within the organisation, establishing trust in the organisational leadership, initiating and managing the change process, and empowering and motivating employees.

Public relations: The term used by Van Riel (1995, p. 4) term is used as a collective noun including the following sub-disciplines of communication: environmental communication, inves-
tor relations, internal communication, corporate advertising, labour market communication and public affairs.

Marketing communication comes from marketing, a product of the 20th century, according to Kitchen (1999, p. 20). The marketing mix consists of at least four elements: price, product, place and promotion. It is under the promotional element of the marketing mix that the emphasis on communication is evident. The elements of the promotional mix consist of advertising, sales promotion, public relations, personal selling, direct marketing and sponsorship. It is also often referred to the “communication mix of marketing”. However, according to Rensburg and Cant (2002, p. 5) the communication mix includes the above as well as the following communication elements: point-of-purchase, interactive marketing, mass communication, exhibitions/trade fairs, personal communication and image/theme communication.

Marketing communication consists primarily of those forms of communication that support sales of a certain product or service. Advertising is the most dominant element in the marketing communication’s mix. Schultz, Tannenbaum & Lauterborn (1994, p. 12) suggest that the four P’s of the marketing mix changed during the early 1990s to four C’s of the marketing mix: the product became the customer or client, the price cost, place became convenience, and promotion became communication. It is further suggested that more emphasis be given to the consumer (client or customer) as the main focus of integrated marketing communication.

Pursuit of integration and co-ordination: In order to function properly and more effectively, corporate communication needs to pursue the integration of marketing communication. This means that the communication mix needs to be integrated. Central to the pursuit is the need to operate in a customer-oriented fashion. In short this means that each function in the whole organisation makes its contribution, that will inevitably lead to the integration of all marketing instruments. The initial idea from Meffert (1979) played a leading part in achieving broad acceptance of the idea that there should be greater coherence and unity in the communication mix of an organisation. Therefore theorists according to Van Riel (1998, p. 15) used the term “integrated marketing communication” to advocate uniformity of text and illustration across all models of communication to achieve an optimal cumulative effect.

Co-ordination between internal and external communication is achieved by means of common symbolism. This entails that a uniform image in terms of logo, house style, company clothing, corporate identity and corporate behaviour be in place. Argenti (1998, p. 54) emphasises that the best way to discuss the different elements of a modern corporate communications function is by starting with the most global and strategic issues and moving on to the narrower aspects of the function.

There are many functions within the function of corporate communication. These functions embrace almost all deliberate forms of communication within an organisation. The concept of total communication is relevant in this case. It includes all four functions of communication within an organisation, i.e. to regulate internal as well as external communication, to persuade all target groups to accept the organisational aims, to inform stakeholders through both internal and external communication and to integrate all of the above.

The role of corporate communication is divided into two distinct functions: the window and mirror functions. Van Riel (1995, p. 2) says that the window function refers to the preparation and execution of a communication policy, resulting in messages that portray all facets of the organisation in a lucid and appealing way. The corporate communication practitioner interprets the philosophies, policies, programmes and practices of top management to its stakeholders. In this facilitating role, according to Lubbe and Puth (2000, p. 19), he helps to accomplish an outward orientation for the organisation, establishing a firm base for mutual understanding and cooperation with strategic stakeholders. The mirror function refers to the monitoring of relevant environmental developments and the anticipation of their consequences with regard to the organisation’s strategies and policies.

Steyn & Puth (2000, p. 20) mention that the role of the manager and the technician has been the corner stone of the field of corporate communication for the last 20 years. However, the role of the strategist is one that CEO’s in South Africa expect from corporate communication practitioners.
The role of the strategist is linked to the explanation of Van Riels’s (1996, p. 2) mirror and window functions. He sees the corporate communicator’s role in achieving the organisation’s objectives as carrying out the mirror and window function. According to Lubbe and Puth (2000, p. 19) the role of the organisation’s strategy development process seems to be a source of intelligence regarding stakeholder groups in the development, an early warning system that identifies issues before a crisis erupts: “It is the function that should assist top management in gathering, interpreting and using this strategic information.” In this instance the anticipation of the environmental consequences is essential for the mapping of image building among various relevant stakeholders.

Looking at the above view, it seems that corporate communication has evolved from the traditional technician discipline to a more managerial and strategic discipline. Lubbe and Puth (2000, p. 20) clearly distinguish between the strategic role of the corporate communication practitioner and the role of manager and technician. The role of the technician lies on the implementation or programme level. Here the practitioner is responsible for the implementation of the communication plans or campaigns. This is the traditional role played by most practitioners. The manager’s role of the corporate communication practitioner comes into play on the functional, departmental or divisional level of the organisation. Here the responsibility of developing a corporate communication strategy and the policy of the organisation is evident. Lubbe and Puth (2000, p. 20) emphasise that a new role emerges, placing more emphasis on message identification by deciding what should be communicated to stakeholders to solve problems that develop in the relationship or to capitalise on opportunities presented.

The strategic role of the corporate communication practitioner relates to the mirror function of corporate communication. This entails monitoring relevant environmental developments and anticipating their consequences regarding the organisation’s policies and strategies, especially concerning relationships with stakeholders.

**Aim two: To describe how corporate communication could enhance the management of change**

Change is the only consistent variable in society. It is an unpredictable variable and is not a phenomenon restricted to Africa, but a global one. According to the CEO of Young and Rubicam Advertising Agency in South Africa, Mr. Yossi Schwartz (2003: personal interview) this is due to both local and global changes as a result of subsequent changes in both the external and internal environment of the business organisation.

There are numerous reasons why attempts at managing change fail. Verwey and Du Plooy-Cilliers (2003, p. 186) highlight some of them: a corporate communication strategy does not exist and there is no alignment of the communication strategy with the organisation’s strategic corporate plan. In trying to answer the question why everything has changes, the authors explain that there are political changes: deep structural uprooting, economic changes: the 24 x 7 x 52 consumer, the social change: the boom in better governance and social responsibility and technological changes: the death of distance. The new rules of business competition demand organisations built on change, not on stability; organised around networks, not a rigid hierarchy based on interdependencies of partners, not on self-sufficiency; and constructed on technological advantage, not on old-fashioned bricks and mortar. These are the variables listed by Kramer (2001, p. 20) which are characterised by changing criteria for survival in a changing business context.

What is change? According to Verwey and Du Plooy-Cilliers (2003, p. 190) the original French word changer means “to bend” or “to turn”. There are two orders of change, viz. incremental change, which indicates individual and local change. Profound change means comprehensive, radical, fundamental or revolutionary change on a large scale. Thus, profound change is at the base of the organisation.

Both Puth (2002) and Verwey and Du Plooy-Cilliers (2003, p. 192) distinguish between change, transition and transformation. Change is viewed as situational and external. Transition is internal and refers to the psychological processes people go through to come to terms with these new situations. Change can only successfully take place once transition has taken place. The starting point for transition is not the outcome, but rather the ending that each individual employee will have to make. Transformation, however, is a dramatic shift in organisational capability. It moves
the organisation from its current state to a future state that meets the requirements of sustainability in a changed environment.

Puth (2002, p. 111) as well as Verwey and Du Plooy-Cilliers (2003, p. 193) compile the characteristics of change, including the following:

- Organisations do not change, people do.
- Change is difficult.
- People are afraid of changes.
- Change also threatens management.
- Change is non-linear.
- Change has an important personal dimension.
- Effective change interweaves improvement efforts.
- Measurement is a key to successful and sustainable change.
- People are inconsistent.
- Losses must be grieved over.
- People feel alone in the course of change.
- Communication can ease the pain of change.

Internal transformation must be congruent within so that the organisation is capable to function in an efficient, effective manner. It appears that organisations and individuals that are resilient are able to endure in the long term and adjust to change. Organisational change is constant and interactive with the external and internal environment.

Change is never smooth, some things take shorter or longer than planned, people develop new ideas during the process of change, others change their minds or get cold feet. Planning change is a relatively simple task and the important work starts when you implement change and begin to assess whether the intended outcomes for users will be achieved. Communication is a crucial element in building a commitment to change. Willis and Kelly (2002) acknowledge that communication is vital in building a commitment to change. Szpekman (1998) states that communicators should champion change. This involves assessing the likely impact of planned change on various audiences, analysing audience attitudes and needs for information and helping people to manage change.

Change grounded in democratic principles has the best chance for success. Democratic principles provide an ethical foundation and a moral fibre for the change process in business as well as professional life. It produces trust and confidence in both the process and in those who are leading it. These principles are universal and speak to the human spirit: the desire to be free, the desire to have a say, and the desire to shape one's own destiny (Axelrod, 2000).

Aim three: To describe the value of strategic management of corporate communication

The strategic management of corporate communication in a state of change implies that management should use the various types of communication in order to institute change. According to Truter, CEO of Cycad Communications (2003: personal interview) this can only happen when the organisational climate and culture have been evaluated. Puth (2002, pp. 112-124) describes how change can be instituted effectively through application and a systematic approach. By using the corporate communication this process entails the following: Establishing a sense of urgency is crucial in gaining the necessary co-operation and support. Creating a strong guiding coalition is always necessary – one with the right composition, level of trust and shared objective. Building such a team is an essential part of the early stages of any effort to restructure, re-engineer, or retool a set of strategies. Developing a clear vision and a directive strategy. Communicating the vision so that all employees have a common understanding of the organisation’s changed vision, goals and direction.

Transformation rarely happens unless many people assist. It is therefore important to empower followers for a broad-based action. Generate short-term wins. As Puth (2002, p. 115) puts it: “Running a transformation initiative without serious attention to short-term wins is extremely risky.”
The organisation should anchor new approaches firmly in group norms and values. If not, they can be very fragile and subject to change.

Managers can effectively manage transition through corporate communication. Puth (2002, pp. 117-124) proposes a three-phase model for managing transition. The role of corporate communication is evident in facilitating this process. The first phase is communicating to let go of the old, the second phase entails communicating in the neutral zone, and the last one is communicating for a new beginning. Individuals can make a new beginning only if they have already made an ending and spent time in the neutral zone. Problems may occur when organisations try to start the new beginning before ending the old. They pay no attention to endings and do not acknowledge the existence of the neutral zone, and still wonder why employees have so much difficulty in dealing with change.

**Phase one: communicate to let go of the old**

Beginnings depend on endings. Change and endings go hand in hand. Change leads to transition, and transition starts with endings. The following aspects are important in order to let go of the old: Identify who is losing what, accept the reality and the importance of subjective losses, do not be surprised at what seems like overreaction, acknowledge losses openly and sympathetically, expect and accept signs of grieving, supply information again and again, define what is over and what is not, mark the endings, treat the past with respect and show how endings ensure continuity of what really matters.

**Phase two: communicate in the neutral zone**

The neutral zone is nowhere between two somewheres. It is characterised by a rising level of anxiety, an increase in absenteeism, problems which were regarded as something of the past crop up again, followers are overloaded, signals are often mixed, and systems are in a flux and therefore unreliable. Followers are polarised between those who want to rush forward and those who want to go back to the old days. Organisations in the neutral zone are vulnerable to attacks from the outside.

For communication to be more effective in this phase, managers should set short-term goals, they should not set up followers for failure and they should communicate that the neutral zone is a lonely place. Followers feel isolated – communication makes people feel part of the organisation.

**Phase three: communicate for a new beginning**

Beginnings involve new understandings, new values, new attitudes and, most of all, new identities. Successful change starts with new beginnings. To make a new beginning, people need to understand the purpose, see the picture, understand the plan to achieve the set goals and understand the part, which every individual plays in order to achieve organisational goals.

### Conclusion and recommendations

In a state of flux, organisations tend to over-emphasise control. This is understandable, because the aforementioned highlights the integrated and co-ordinated roles of communication. It is of little use when the organisation integrates messages and co-ordinate communication without being in accordance with the overall business plan of the organisation. It seems as if the integration of managerial communication (both internal and external), marketing communication (mostly external) and public relations (mostly internal communication) are prerequisites if corporate communication is to ease the pain of change. Problems with the process of change will not disappear magically, as Argenti (1998, p. 14) puts it, but it has to be managed. People change, not organisations. Therefore people need to be informed.

Organisations must have a strategy aligned with the aims and goals of management. The corporate communication strategy should reflect the organisation’s corporate strategy. Strategy formulation and strategic planning are therefore a prerequisite for the developing of a sound corporate communication strategy. The organisational strategy provides focus and direction to the communication and creates synergy between the corporate strategies and the corporate communi-
cation strategy. It is evident that little attention is paid to the corporate communication strategy, but much emphasis is placed on management strategy. Managers, however, need to use sound communication in order to inform their various publics, internally as well as externally. Since corporate communication includes all communication in the organisation, it is of paramount importance that a strategy must integrate and co-ordinate all communication.

Argenti (1998, p. 11) explains that by recognising the changing environment and adapting to it, the manager can survive the impact of change within the organisation. Various steps could be taken to ease the pain of change. Lubbe and Puth (2000, p. 62-75) propose a model for developing a corporate communication strategy. This model could be applied to manage change through corporate communication. It provides a systematic and thorough process through which all functions of corporate communication could integrate and align with organisational aims.

For the purposes of this paper, the proposed model has been adopted. As indicated by the authors, the concept “corporate communication strategy” has received little attention in communication studies, necessitating the detailed attention paid to the various steps in the process of formulating a corporate communication strategy for organisations. This process includes ten distinctive steps:

**Step 1**

*Analyse the internal environment.* The corporate profile, mission and vision need to be addressed. Corporate values, culture and policies should be studied.

**Step 2**

*Identify strategic stakeholders and networks.* The organisational linkages should be identified through research methods commonly used in communication research. Through research managers should be able to draw a stakeholder map to indicate all relevant stakeholders. Networking is a key element in the sustainability of relations with stakeholders. Van der Waldt & Ziemerink (2001, pp. 65-66) emphasise this variable in a proposed corporate social investment strategy.

**Step 3**

*Identify and prioritise key strategic issues.* Usually it is classified under the internal and external strategic issues. Internal issues can change the organisation’s performance if neglected, for example productivity. The external strategic issues emanate from sources outside the organisation’s boundaries, for example environmental protection legislation.

**Step 4**

*Identify implications of strategic issues for stakeholders.* Communication practitioners should consider the effects that corporate strategies might have on stakeholders, i.e. the behaviour of top management.

**Step 5**

*Decide on the corporate communication strategy.* It is important that practitioners know and understand what must be communicated to each stakeholder to solve the problem or to capitalise the opportunity the strategic issue presents.

**Step 6**

*Set communication goals and policy.* These goals need to be set around communication plans that are developed. In the process of developing a corporate communication strategy, goal setting is the link between the corporate communication strategy and the communication plan. It is also relevant to develop communication policy to determine who is allowed to communicate to whom – to set guidelines for communication. What must be communicated to stakeholders? What should be communicated? Is the organisation prepared to communicate or not? What is to be communicated in special situations such as emergencies or crises?
Step 7

Determine a budget. How much will the whole exercise cost?

Step 8

Submit a draft of the corporate communication strategy to top management. This step is important to let management buy into the development of the strategic communication plan. After the initial footwork, the information obtained should be presented to management to gain their support for the process before the plan is developed.

Step 9

Conduct a media analysis. This includes all media used in the organisation, from interpersonal communication to mass media. The media should fit the purpose of the communication.

Step 10

Develop a strategic communication plan. This includes the master plan of how the organisation will communicate. It means that the communication programmes (continuous communication with stakeholders), communication campaigns (single or cyclic) and communication plans (implementation strategy and action plans) will be specified. This is the complete framework within which communication should take place.

The development of a corporate communication strategy is a continuous process. The steps in the above model only provide a guideline of all relevant variables that need to be addressed in such a process.

References


