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Overview: Corporate Communication



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What is Corporate Communication, and who does it?

Corporate communication, put simply, is the total of a corporation's efforts to communicate effectively and profitably. Obviously the actions any particular corporation takes to achieve that goal depends in large part on the character of the organization and its relationship with its suppliers, its community, its employees, and its customers. In practice, corporate communication is a strategic tool for the contemporary corporation to gain a competitive advantage over its competitors. Managers use it to lead, motivate, persuade, and inform employees and the public as well.

Corporate communication is more art than science. Its intellectual foundations and body of knowledge began with the Greeks and Romans—with rhetoric. Its theoretical foundation is interdisciplinary, using the methods and findings of:

- anthropology
- communications
- language and linguistics
- sociology
- psychology
- management and marketing

As a focus of academic study, corporate communication can be considered in the large context presented here, or it can be seen as a part of public relations. Given the business environment, the more encompassing definition works well in

both the applied context of the workplace, as well as within the context of academic study.

Corporate communication is the term used to describe a wide variety of management functions related to an organization's internal and external communications. Depending on the organization, corporate communications can include such traditional disciplines as public relations, investor relations, employee relations, community relations, advertising, media relations, labor relations, government relations, technical communications, training and employee development, marketing communications, and management communications. Many organizations also include philanthropic activity, crisis and emergency communications, and advertising as part of corporate communications functions.

The people who perform these functions may have a variety of technical and professional backgrounds. Most have a firm grasp of the communication process, both written and oral, in a variety of contexts ranging from press releases to videotaped instructions; from a speech at a professional conference to a meeting of the local PTA; from a letter to a disgruntled customer to a letter to the editor of the *Wall Street Journal*. The messages and actions put in motion by these professionals, like any in a successful business, are part of the company's strategic plan, and are intended to achieve clear goals and objectives for the corporation.

What is the strategic importance of corporate communication?

In a management environment that extols the virtues of decentralization to meet the customer's needs quickly, many corporations consolidate their communications. A central group is responsible for communications. It develops, projects, and maintains the corporation's image and culture. For many organizations which operate globally, as well as local and regional ones, the value of a central management structure for communication makes sense.

The elements of communication continue to exert substantial influence in all transactions from simple customer questions of front-line sales and retail personnel, to the pressure negotiations involved in a multinational merger or restructuring. Corporations communicate through people, and the

following communication forces need to be considered by individuals and by the organizations:

- language and linguistics
- technology and the environment
- social organization
- contexting and face-saving
- concepts of authority
- body-language and non-verbal communication
- concepts of time

These elements make up the core of communication skills for business on a national and international basis. A group within an organization can set policy and guidelines for written and oral communication. It can also develop training for the entire organization so that its decentralized operating and functional elements at a minimum can create communication expertise for its own autonomous activities and still maintain the larger corporate image. Corporations centralize communications to meet the strategic goal of developing and perpetuating a corporate image and culture through consistent and coherent messages through various media from face-to-face contact to print to video.

Corporations also use a corporate communications structure to manage the considerable complexity in the tools and the media for communications within the corporation itself:

- computer networks, Local Area Networks (LAN)
- interactive video on computers
- corporate TV
- FAX
- E-mail

Corporations also require a central corporate communications capability to communicate with the media on a routine basis, as well as in emergency and crisis situations.

Communication with various publics both local and global are more consistent and effective when the corporation delivers such messages with one clear voice. A central capability is useful for that, and it is essential for global operation. The need to translate a corporate message into another language and into another culture brings communication into the strategy for any transnational activity no matter how small.

Increased concerns among corporations for such issues as diversity and sexual harassment can be the responsibility of the corporate communications group. Corporate mission statements and company philosophies are, in ideal situations, the products of executives who recognize the strategic value of a clear statement of what the corporation stands for, its goals, and its practices. Clear understanding and articulation of the company mission is the cornerstone for building an image in the mind of employees as well as the general public.

The clear statement of the company mission builds the organizational culture among employees. Since the early 1980s, much has been written about corporate culture and its influence on the behavior of employees. How often do we hear of a company described in cultural terms; that is, by its shared values and beliefs? These same beliefs are often the center of advertising campaigns and motivational programs for employees.

A strong corporate culture also creates a recognizable and positive perception of the company among its suppliers, vendors, and customers. The "equity" a company image and culture amasses is then part of its value as a brand name product, stimulating customer loyalty.

A strong organizational identity is the result of a strong culture, as well as the other way around. It has become commonplace in the minds of company employees and the members of the community that the perception of strength and its reality are one and the same.

A strong image and culture cannot be imposed on a group of people, but it can be nurtured. Numerous corporations from American Airlines to Microsoft demonstrate this strength everyday and communicate it through their newsletters and releases, annual and quarterly reports, advertisements, videos, speeches, and interpersonal contacts with internal and external customers.

What is Corporate Communication Philosophy?

Speaking of business and philosophy often evokes jokes about other such oxymorons: *business ethics*, *military intelligence*, *political integrity*. Nevertheless, organizations large and small that have a strong commitment to communication with

employees and the community have a definite philosophy of communication. Though many companies would not call it a philosophy, they may refer to it as their communication policy or their mission statement.

In both cases the philosophy may be articulated with statements of commitment to employees, customers, and other stakeholders, such as this statement from Levi Strauss & Co. of its aspirations:

ASPIRATIONS STATEMENT: LEVI'S

We all want a company that our people are proud of and committed to, where all employees have an opportunity to contribute, learn, grow and advance on merit, not politics or background. We want our people to feel respected, treated fairly, listened to, and involved. Above all, we want satisfaction from accomplishments and friendships, balanced personal and professional lives, and to have fun in our endeavors.

When we describe the kind of Levi Strauss & Co. we want in the future, what we are talking about is building on the foundation we have inherited: affirming the best of our company's traditions, closing gaps that may exist between principles and practices, and updating some of our values to reflect contemporary circumstances.

What type of leadership is necessary to make our Aspirations a Reality?

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Communications: Leadership that is clear about company, unit, and individual goals and performance. People must know what is expected of them and receive timely, honest feedback on their performance and career aspirations.

Empowerment: Leadership that increases the authority and responsibility of those closest to our products and customers. By actively pushing responsibility, trust, and recognition into the organization, we can harness and release the capabilities of all our people. (Quoted in *Harvard Business Review*, September–October 1990, 135.)

The communications philosophy may also be implied in a company pledge, usually found in an annual report. This appeared in the 1990 annual report of Bristol-Myers Squibb Company after the two pharmaceutical giants merged:

To those who use our products . . .

We affirm Bristol-Myers Squibb's commitment to the highest standards of excellence, safety and reliability in everything we make. We pledge to offer products of the highest quality and to work to keep improving them.

To our employees and those who may join us . . .

We pledge personal respect, fair compensation, and equal treatment. We acknowledge our obligation to provide able and humane leadership throughout the organization, within a clean and safe working environment. To all who qualify for advancement, we will make every effort to provide opportunity.

To our suppliers and customers . . .

We pledge an open door, courteous, efficient and ethical dealing, and appreciation of their right to a fair profit.

To our shareholders . . .

We pledge a company-wide dedication to continued profitable growth, sustained by strong finances, a high level of research and development, and facilities second to none.

To the communities where we have plants and offices . . .

We pledge conscientious citizenship, a helping hand for worthwhile causes, and constructive action in support of civic and environmental progress.

To the countries where we do business . . .

We pledge ourselves to be a good citizen and to show full consideration for the rights of others while reserving the right to stand up for our own.

Above all, to the world we live in . . .

We pledge Bristol-Myers Squibb to policies and practices which fully embody the responsibility, integrity and decency required of free enterprise it is to merit and maintain the confidence of our society.

(Annual Report, Bristol-Myers Squibb Company, ii.)

The written statement of corporate commitment to goals and values such as the statements of aspirations and pledges are often the external manifestation of the communication philosophy. It is not necessary for the written statement to exist to have a philosophy, but if the written statement does not represent some corporate behavior and belief and value system, its hollowness will be grossly apparent to everyone in and out of the organization.

In the late 1980s into the 1990s, Total Quality Management programs swept organizations in this country; from government, to defense; from pharmaceuticals to computers, almost every organization of any size has some form of Quality program. Such efforts are change agents intended to make the organization more efficient and productive, and as a result more profitable. Such programs emphasize teamwork and empowerment, and strive to create and perpetuate a humane environment in the workplace.

Communication is at the center of successful Quality programs. Newsletters, pamphlets, magazines, in-house television networks, videotapes, and questionnaires are some of the ways companies use to communicate the company values and beliefs. In addition to these "one-way" communications, organizations are now training their employees in methods of communication, problem-solving, interpersonal and small group participation, and the management skills that support the company culture. In practice we see the philosophy at work in how an organization communicates with its employees, its external audiences, the press, and foreign customers. We see how the corporation presents itself to the world at large. Some signs—the company buildings, vehicles, employee appearance—are easy non-verbal communications to observe. Others are harder to recognize at a glance—attitudes such as an innovative spirit, a commitment to community, and understanding of the coexistence of fair play and competition. These forces are there shaping the corporation, and they are manifested in the organization's communications.

Corporate communication, from the perspective of an anthropologist, encodes the corporate culture. Corporations that do not value communication highly are doomed to wither. George Bush lost the 1992 presidential election, according to Peggy Noonan, Ronald Reagan's speech writer, because the Bush administration failed to see the connection between words and deeds. ("Why Bush Failed," *New York Times*, November 5, 1992: A35 & "As Bush's Loss Sinks In, Finger Pointing Begins," *New York Times*, November 5, 1992: B5.)

Elements of corporate communication guide the development of a strong corporate identity, a reasonable corporate philosophy, a genuine sense of corporate citizenship, a strong relationship with the media, an appropriate and professional way of dealing with the press, a quick and responsible way of

communicating in a crisis or emergency situation, and a sophisticated approach to global communications. Each of these is treated in the chapters that follow.

Further Reading

Browdy, E. W. *The Business of Public Relations*. New York: Praeger, 1987.

Conducting Research in Business Communication. Edited by Patty Cambell, et al. Urbana, IL: Association for Business Communication, 1988.

Falsey, Thomas. *Corporate Philosophies and Mission Statements: A Survey and Guide for Corporate Communicators and Management*. Westport, CT: Quorum Books, 1989.

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Swindle, Robert, and Elizabeth Swindle. *The Business Communicator*. Englewood Cliffs, NJ: Prentice-Hall, 1985.

Thayer, Lee. *Communication and Communication Systems*. Homewood, IL: Irwin, 1968.

Organizations Related to Corporate Communication

American Association of Advertising Agencies, 666 Third Ave., New York, NY 10017.

American Marketing Association, 310 Madison Ave., New York, NY 10017.

Center for the Advancement of Applied Ethics, Carnegie Mellon University, Pittsburgh, PA 15213.

International Association of Business Communicators, 870 Market Street, San Francisco, CA 94102.

International Communication Association, P.O. Box 9589, Austin, TX 78766.

Public Relations Society of America, 33 Irving Place, New York, NY 10003.

Society of Professional Journalists, 53 West Jackson Blvd., Suite 731, Chicago, IL 60604.

Speech Communication Association, 5105-E Backlick Rd., Annandale, VA 22003.

Women in Communications Inc., 2 Colonial Place, 2101 Wilson Boulevard, 4th Floor, Arlington, VA 22001.