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Excellence in Communicating Organizational Strategy: An Introduction

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Organizations have *goals or desired ends* they want to achieve. Similarly, organizations have *strategies or preferred means* for achieving those goals. In addition, organizations utilize *implementing structures or special organizational processes* aimed at guaranteeing that their preferred strategies are in fact undertaken in the appropriate ways in order to achieve their *desired ends*. This book seeks to shed new light on the communication strategies involved in those processes by providing fourteen chapters that examine, analyze, and execute the communication strategies involved in organizational performance.

For example, at the General Electric Corporation, Jack Welch in the mid-1980s, articulated *GE's organizational goals* as (1) to become the most competitive and (2) to become the most highly valued firm in the world. *GE's communication strategies* or preferred means for achieving these goals were (1) to become the most profitable and (2) to become the most valued firm in the world. *GE's implementing structures* for guaranteeing that the preferred communication strategies were in fact undertaken were (1) to hold and invest in only high-growth businesses in which GE could become number 1 or 2 in market shares in the world and (2) to put in place a continuous improvement program called "workout" which could improve GE's performance by reducing costs and increasing margins, quality, and speed to market in order to become the low-cost high-quality provider of products and services for GE's customers (Cushman and King 1997).

Organizations that function in this manner rely heavily on a *strategy of employing effective communication* in order to integrate, coordinate, and control the information flow to all of an organization's stakeholders, employees, suppliers, investors, and customers. For

example, in order to guarantee excellence in its communication strategy, GE put in place three new implementing structures. *First,* Welch revamped GE's organizational culture in order to make employees more self-reliant, rapid in response, and change-oriented. *Second,* Welch developed a world-class education and reeducation system headed by GE's management training center at Croutenville, New York. *Third,* he restructured GE's monitoring and reward system to make it more performance, team, and change-oriented (Cushman and King 1997). Excellence in communicating an organization's strategy results, according to Jack Welch, from a persistent effort over time to clearly articulate a firm's goals and strategies and a leader's passion in monitoring and evaluating the effectiveness of a firm's implementing structures (Welch 1992). Between the mid-1980s and 2000, GE's profits rose from 32nd to first in the world at $10.7 billion, and its stockholder value rose from 45th to first in the world at $480 billion *(Palm Beach Post).*

It will be the purpose of this collection of essays to explore in some detail the theoretic, strategic, and practical linkages for creating excellence in communicating a firm's strategy. This chapter provides an overview or road map of the contributions in this volume, their focuses, major claims, and the data supporting those claims.

Chapter 2 in this book contains an award-winning piece entitled "Stimulating and Integrating the Development of Organizational Communication Through High-Speed Management." Its author Donald Cushman attempts to articulate a general theory of communication called *High-Speed Management* which can serve as an organizing principle capable of integrating all communication research. Such an integrative theory, according to Cushman, must meet three specific criteria. *First,* it must have generality, be simple enough to apply to the wide range of organizational communication activities. *Second,* it must have necessity or account for the driving force in these communication activities. *Third,* such a theory must have explicative power, must explain what governs and guides organizational communication processes.

Cushman then attempts to articulate just such a theory, the theory of High-Speed Management. This theory rests on two simple propositions: *First,* reducing the cycle time an organization takes in getting its product and/or services to customers yields significant organizational outcomes. Decreasing organizational cycle time yields increases in productivity, quality, profits, market shares, management and worker commitment, and customer satisfaction with an organization's products

and services. *Second,* improving an organization's communication processes is the central ingredient necessary for reducing organizational cycle time. Reducing communication bottlenecks, standardizing information transfer, and appropriate adaptation to and speed of communication response are the central outputs that lead to decreasing an organization's cycle time.

Next Cushman discusses the implementing structures for locating communication problems and then generating solutions to those problems by utilizing (1) environmental scanning, (2) value chain analysis, and (3) continuous improvement. An example of the use of these three tools is providing by analyzing communications within the General Motors Corporation. Next, data is provided on how improved communication effectiveness leads to reduced cycle time and the positive outcomes previously listed.

Finally, a review of the literature on High-Speed Management is summarized to indicate how this theory can and has stimulated and integrated research in organizational communication. In 1998, this essay was selected as a finalist by the Arizona State University in a contest for developing an original communication theory capable of stimulating and integrating organizational communication research.

Chapter 3 of this collection is by Donald P. Cushman and Sarah S. King on "Killer Strategies for Competitiveness: The Case of Microsoft." Here they analyze what many consider to be the most competitive firm in modern times. Cushman and King begin by providing a conceptualization of sustainable competitive advantage rooted in customer demand, a firm's core competencies, and a breakpoint in product development. Next, they report the results of a large study which locates the most successful strategies employed by multinationals who achieve sustainable competitive advantage. These were (1) locating a domestic product niche with limited exports, (2) exporting high-quality politically supported products, (3) exporting high-quality innovative products, and (4) exporting continuously improved business processes.

Attention is then turned to analyzing Microsoft's unique success in the software industry. Bill Gates, Microsoft's CEO, articulated an organizational goal of pioneering and orchestrating the evolution of mass markets within the computer software industry. Next, he put forward five business strategies for achieving those goals. These involved (1) developing new products, (2) continuously improving old products, (3) pushing volume sales, (4) leveraging industrial standards, and (5) integrating and simplifying products. Finally, Gates

introduced four killer implementing strategies for employing communication excellence to guarantee the fulfillment of those strategies in a manner which shut out Microsoft's competitors: (1) the use of Microsoft's unique brand of teamwork to insure effective product development and continuous improvement; (2) the setting of industry standards through product development, acquisitions, and alliances; (3) the volume marketing through competitive pricing, exclusive contracting, and software bundling; and (4) the leveraging of standards to limit competitor sales.

Finally, Cushman and King demonstrate how Microsoft employed its goals, strategies, and implementing structures to gain control of the five gateways for gaining access to the Internet. In so doing they observe how Bill Gates was able to respond to an industrial breakpoint, the rise of the Internet, by turning Microsoft's focus on PC software to Internet software in just six months while shutting out his competitors in controlling access to the five Internet gateways. Microsoft's speed, effectiveness, and dominance of this industrial breakpoint relative to its competitors is a theoretic, strategic, and practical move worthy of careful study. The use of goals, strategies, and implementing structures is different from those employed by GE and may in terms of outcomes be more effective. In 1987 Microsoft earned more profits from less sales than any major firm in the world while moving into the top five behind GE in global stockholder value *(Fortune)*.

In chapter 4, Yong-Chan Kim analyzes *High-Speed Management Strategies for Competitiveness: E-land, a Korean Multinational.* Here Kim provides a communication audit which reveals how a well-developed corporate culture can link communication to organizational outcomes in a powerful and productive manner. The E-land Corporation, a Korean-based multinational conglomerate in clothing and construction, developed a unique corporate culture based on (1) Christian principles, (2) a youth movement, (3) male and female management equality, and (4) a learning organization which provided E-land with a sustainable competitive advantage. The focus on Christian principles avoided the pitfalls or corruption which now plagues most Korean firms. Hiring competent male and female college graduates allowed E-land to strengthen its management team in an area where competition for male graduates created a competitive shortage. Emphasizing a youth movement in which progress from line to top management took half the time of most Korean firms made the organization attractive to competent young graduates, while creating a learning environment which, in turn, created a collegiate

spirit in the firm. The implementing structures for linking communication to these values are traditional, but the outcomes, unique. The growth and performance of E-land speaks for itself: sales rose from $500,000 to $1.5 million in just three years. In addition E-land has become one of the most preferred firms for work by new college graduates in Korea. E-land's goals, strategies, and implementing structures may become the model for leading Korean and Asian firms out of their current economic crises rooted in organizational and governmental corruption while energizing Asian youth.

Thomas Florence and Branislav Kovačić in chapter 5 address the issues involved in the "Intersections Between Crises and Management." The authors begin by constructing a crisis management model based upon Lester Thurow's (1996) metaphor involving (1) plate tectonics and (2) punctuated equilibrium as central concepts in understanding chaotic activity. Organizational crises, like earthquakes, cannot be understood in terms of their visible manifestations. Instead, one must look below the surface of the frictions caused by its plate tectonics. In organizational crises a friction develops between (1) organizational ideology, (2) economic stability, (3) cultural business practices, (4) the legal implications of corporate activities, and (5) government intervention. These organizational tectonic plates floating in the molten lava of the mass media rub against each other creating faultlines or public disputes such as (1) labor/management, (2) environmental concerns, (3) competitive alliances, (4) legal issues, (5) income, (6) safety net, and (7) global economic disasters. These disputes surface in and are influenced by the mass media. Such disputes are dynamic and feature a process of punctuated equilibrium which offers openings for the constructive resolution to the conflict. A discussion is then provided of several types of equilibrium and disequilibrium and the types of message strategies appropriate to constructive solutions in each. Issues regarding risk management, public anger, goal management, crisis stages, responses to attacks, and the implementing structures in terms of message design are analyzed.

Chapter 6 by Joseph Pillittere II extends our understanding of excellence in communication strategy during a crisis when he explores "Excellence in Communication During a Crisis: The Case of the Indian Point 3 Nuclear Power Plant." Pillittere argues that action must establish credibility and build trust before, during, and after a crisis or perceived crisis. This is best accomplished by (1) having a crisis management plan in place and practicing it, (2) responding quickly to all inquiries, (3) being truthful, (4) listening carefully with

an open mind to a firm's stakeholders, (5) employing simple language with visuals and with prepared messages where possible, (6) if you don't know the answer, saying so, and then finding out and responding, and (7) when possible, distributing in printed form news releases to all stakeholders.

Next Pillittere provides a case study of the effective use of these principles in a perceived crisis by segments of the press in regard to a repair being made at the Indian Point 3 Nuclear Reactor in upstate New York. In the case study a potential crisis with the press was prevented by establishing credibility and trust with local officials, the press, and community leaders. While maintenance was being performed on a reactor, an accident occurred which had no harmful effects. By treating the accident as a potential crisis and keeping its stakeholders clear on what was going on, the nuclear plant prevented a perceived crisis when one newspaper provided misinformation on the problem. When other journalist sources spoke with the government, community leaders, other journalists, and the public, the convergence of these sources provided collaboration for the noncrisis event.

Chapter 7 by Yanan Ju addresses "R&D and Marketing Strategy for Cross-Cultural Cooperation: A Cross-Pacific Study between China and the U.S." Ju begins by asserting that in today's global economy with fax machines, telephones, and E-mail, the U.S. and China are seconds apart in electronic communication. However, they are hours, days, and months apart in understanding the content of communication due to massive cultural differences. To support his claim he examines communication between two firms—Company A (a U.S. firm) and Company B (a Chinese firm) who formed a joint venture to produce electric motor bikes. He explores the differences in terms of tasks, ways of working, and means of communication coordination aimed at developing a value-added relationship between firms. *At the task level,* Company A handled the R&D while Company B handled manufacturing and marketing. The U.S. firm designed a 50cc small bike for sale in China. However, the cost of nickel-metal-hydride batteries was such that the Chinese firm wanted a 125cc bike which could carry passengers. Company A, not understanding Chinese culture, believed it had designed a low-cost bike by U.S. standards. Company B found the basic costs in developing a 50cc and 125cc bike about the same with the Chinese market viewing the costs as high. So unless the bike could be used to carry people or haul heavy loads, it would not sell.

At the work level of coordination even more problems developed. In the U.S. we have a capitalist economy and great respect for the law. In China they have a socialist economy governed by *quanxi,* the giving of financial rewards for favors. In a socialist economy, the communist party is like a mother-in-law. Without the mother-in-law's endorsement, nothing happens, and when it does happen, it follows the preference of the mother-in-law involved. *Quanxi* is a web of blood and social relationships that only works to support 'buddies" who reciprocate favors. In China when people first meet they are strangers; when they meet again, they are acquaintances; by the third meeting they have the potential to become buddies when they reciprocate support. U.S. firms have difficulty understanding this system. They rely on profits and legal contracts. These are not considered important in China. Profits are necessary but only if distributed appropriately among an established network of buddies who reciprocate rewards. In addition, in China oral commitments among buddies are much more important than mere legal documents. In China, the law is easy to change; buddies are not.

At a communication level, understanding is rooted in nonverbal face-to-face communicating among buddies over a meal. In the U.S. it is rooted in verbal agreements among firms that are put in writing. Ju argues that time and trial and error are substantially slowing joint ventures between the U.S. and China. He argues for a more careful study of cultural differences to speed up the understanding process and any increase in the value-added coordination to generate profits and mutual respect.

Chapter 8 by Robyn Johnston explores "Strategies for Survival in the Global Marketplace: A Study of the Australian Pharmaceutical Industry." Johnston explores three national strategies employed in Australia to raise a nation's competitive edge in the global economy. *First,* between 1986 and 1996, the Australian government entered into negotiation with the Australian Council of Trade Unions to liberalize union agreements. These liberalizations included that a portion of wages was to be determined by local performance and awarded at the enterprise level. Work rules were also localized. These included flexible work hours, shift loads, paid holidays, annual leave, and the potential for work on any day of the week. In addition, rigid job specifications were eliminated and work teams allowed. *Second,* the role of manager changed in this same time from monitoring and control to coaching and facilitating organizational improvement. Skills in communication and motivation were increasingly considered

central factors in upward mobility. Skills development for managers became necessary for advancement, particularly skills in visioning, strategizing, continuous improvement, and entrepreneurship. *Third,* the nation's educational systems and firm's training system were focused on developing learning organizations. The nation's vocational education and compulsory postsecondary school educational systems became more skills-oriented. Unions began to require firms to train and retrain workers as part of the contract. Nation-wide standards were established for certification of successful skills training. Training agendas were established in labor contracts, and increases in pay were tied to increased skills attainment. Finally, the author traces out how these strategies helped the firms in the pharmaceutical market industry expand Australia's global performances in this industry.

Chapter 9 by Rod Miller entitled "Beyond Benchmarking for Institutional Achievement: Jump-Start to Fund-Raising Excellence" explores the strategies employed to unite a board of directors, the CEO, and a professional development staff of a major Australian university in setting targets, developing fund-raising strategies, and putting in place implementing structures following a benchmarking study of the most successful universities in the world of fund-raising. Strategic targets were set; partnerships were formed with 200 leading organizations in the community, and 500 prominent individuals were selected as prospects for contributions. The activities of the board members and staff in mounting a significant fund-raising effort are then detailed and preliminary results given.

Ernest Martin in chapter 10 addresses the issues involved in "Intuition and Metacommunication Strategies in Times of Change." The author argues that in times of rapid change successful managers develop highly profitable hunches or intuitions which account for their firm's success. Martin then explores how and why productive intuitions are separated from human folly through positive and negative feedback, self-realization, and ethics. Integrity, courage, and ethics are then explored as the personal characteristics behind a firm's vision, values, and action. Next, he expands our conception of effective communication by demonstrating how intuition provides the basis for metacommunication effectiveness. Metacommunication involves energy, a variety of frequency domains, and a multidimensional holographic model of nonverbal communication interpretations. Awareness of these intuitional bases of metacommunication is a refinable skill, a skill which can be developed through training and

which provides the energy, motivation, and interpretative processes that underpin an organization's vision, values, and actions.

Chapter 11 by John Penhallurick explores "The Strategic Impact of Affect on Decision-Making." Here the author reviews the literature on emotion and its effect on organizational decision-making processes. Emotion is viewed as a type of intelligence when appraised and expressed properly under controlled perimeters which focus on flexible planning, creative thinking, motivation, and redirecting attention to key problem areas. The often overlooked constructive case for the use of emotion to enhance organizational performance is then put forward.

Susanne and Robert Morris in chapter 12 explore "Training Strategies for Excellence: Selecting the Appropriate Models for the Specific Task." Two critical variables are analyzed, namely, a firm's needs and the time the firm has to learn and implement the training to support those needs. A firm's needs are divided into two levels—known and unknown needs. Time is divided into two levels—unconstrained and constrained. Four models for training are then explored to meet a firm's specific needs and time frame: (1) a general competency model is developed for firms with unknown needs and an unconstrained time frame; (2) a packaged/handbook strategy is developed for firms with unknown needs and a constrained time frame; (3) a professional/specialist model, for known needs and constrained time frame; and finally, (4) a just-in-time model, for known needs and a constrained time frame. Characteristics and examples are then put forward to illustrate the use of each training strategy and the implementing structures involved in each model.

Chapter 13 by Richard Dieker, "Strategies of Leadership Excellence for Corporate Survival," explores the need for a transformation from current need deficiency leadership strategies, which are not working, to transcendental leadership strategies. Harmful effects of deficiency need leadership include aggressive, fearful, or defensive behavior; lack of foresight or vision; an inability to delegate; an inability to take unpopular actions when needed; and damaging motivation by taking personal recognition for others' accomplishments. Transcendental leadership focuses on the development of vision in four major areas: the organization and its mission; the realization of greatness in the members of the organization; continuous monitoring and development of the self as a leader; and finally, the ability to translate this vision into appropriate leadership behavior. Dieker then discusses developing the skills necessary for transcendental leadership by

indicating the appropriate implementing strategies leaders must employ to become such a leader. A checklist inventory for measuring progress in developing these skills is provided.

Chapter 14 by Cushman and King provides a conclusion to this collection by abstracting from each of the chapters the central lesson and implications for achieving "Excellence in Communicating Organizational Strategy."

We hope this brief map for exploring the rich and insightful chapters in this book will whet the reader's appetite for what can only be described as the gourmet main course you will find as you read on.

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