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Research Report

How to play the game. Strategic tools for managing corporate communications and creating value for your organization

Communication Insights, No. 3

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Issue 3

COMMUNICATION INSIGHTS

HOW TO PLAY THE GAME

Strategic tools for managing corporate communications and creating value for your organization

ACADEMIC SOCIETY
FOR MANAGEMENT & COMMUNICATION
An initiative of the Günter Thiele Foundation

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Note: *Throughout this publication, gender-specific terms may be used in order to ease the text flow. It should be understood as referring to both genders, unless explicitly stated.*

EDITORIAL

Communication has become an increasingly important driver of success for corporations in today's hypermodern world. Organizations and their leaders have to cope with a turbulent political landscape and fragmented media environments. Digitalization and new communication needs from stakeholders are forcing communication departments to reinvent themselves. However, one objective has remained the same: corporate communications has to create business value by serving the overall strategic goals of a company. Nevertheless, both corporate practice and academic research lack a generally accepted 'big picture' of value creation through communications.

The pressing question of how communications contributes to corporate success has seldom been asked and has never been answered sufficiently. To address this gap, a unique three-year research project has focused on investigating the value of communications in its complexity. The aim was to develop a consistent storyline and establish a common understanding of the essential terms, concepts and tools of value creating communication. Headed by Ansgar Zerfass, Christine Viertmann and Sophia Charlotte Volk, a research team at the University of Leipzig reviewed more than 800 scientific books and articles across many disciplines, analyzed dozens of corporate documents and interviewed chief communication officers from global corporations. Many thanks go to Joachim Schwalbach (Humboldt University Berlin), Karen Berger and other team members in Leipzig, and also to our advisory board of communication leaders from BASF, Bosch, Deutsche Bank, OSRAM and Roche for supporting this research.

The most interesting findings are presented in this issue of *Communication Insights* and the following questions are answered: Which roles are performed by today's Chief Communication Officers? How can the communication department's contributions to success be explained? What are the core values generated by communication? How can communication targets be linked to corporate strategy? And what kind of tools can be used to manage communications strategically? These findings are complemented with insights into the practice at thyssenkrupp, OSRAM, GIZ and Voith.

The project at hand is part of *Value Creating Communication*, the world's most comprehensive research program in corporate communications. It was initiated and funded by the Academic Society for Management & Communication. Since 2015, two projects have been realized within this program – this one on contributing to corporate success and another one at the University of Münster about megatrends and the digitalization of communications. In a next step, these two universities together with the University of Vienna will start another project focusing on internal and external interfaces and collaboration processes in corporate communications.

We hope you will benefit from our insights and enjoy reading this issue!

Dr. Ansgar Zerfass
Professor and Chair in Strategic Communication, University of Leipzig

HOW TO PLAY THE GAME

STRATEGIC TOOLS FOR MANAGING CORPORATE COMMUNICATIONS AND CREATING VALUE FOR YOUR ORGANIZATION

Empirical studies around the world indicate that communication departments continue to struggle with a rather low status in organizations. Top managers tend to underestimate the role of communications as an essential driver of value creation and corporate success. Communication professionals, on the other hand, often perceive their own role in the management group as more significant than executives do. It would be short-sighted to blame the executive level for this gap. Instead, communication professionals should raise the question: how can we explain the contribution of communications to corporate success more effectively?

It is difficult to grasp the essence of effective corporate communications today. Nevertheless, one aspect is unanimously mentioned by researchers and leaders around the globe: communications need to serve the overall strategic goals of a company and help to fulfill its mission. Creating value for business is the main rationale for the rapid expansion of the field. Most board members and top managers recognize the critical importance of communication for their organization – but they are unclear of what role communication practitioners have and frequently view them as channel producers or technicians (Brønn, 2014; Falkheimer et al., 2017). At the same time, many communication executives complain about a lack of appreciation from top management, unclear role descriptions and vague key performance indicators (Tench et al., 2017).

There is a simple explanation for the diverging perceptions of top managers and communication executives on the value of communications: communicators themselves lack a consistent understanding of how their work contributes to business goals. Several studies show that communicators use multiple rationales to explain the value of their work to top management – from building reputation, to boosting publicity, or gaining the 'license to operate' (Kiesenbauer & Zerfass, 2015; Zerfass et al., 2015; Macnamara et al., 2015). In addition, communication professionals often report their success based on evaluating day-to-day operations or key projects. They seldom measure how the department contributes to the overall strategic goals of the organization (Zerfass, Vercic, & Volk, 2017). Communication management is still often influenced by gut feeling or based on experience, instead of strategic analyses or sophisticated data analytics.

It is plausible to assume that the multitude of stories told by communicators creates uncertainty among business leaders. Without a common explanation of communications' contributions to corporate success, it is difficult to convince top managers to invest bigger budgets. If communicators want top management to appreciate them more, they need to tell a consistent story of how their work creates tangible values and builds immaterial assets. Our research project therefore seeks to answer the following questions: Which story should communicators tell? Which aspects are critical for convincing top managers? How can communicators start the conversation and link their story to existing rationales?

FIVE FUNDAMENTAL QUESTIONS

In order to develop a consistent story of value creating communication, several aspects were explored during the research project. These aspects are related to each other and include the new roles of the communication executive, core contributions of the communication department, and new prerequisite for steering communications strategically. The following five fundamental questions seemed to be most pressing:

1. Which roles are performed by Chief Communication Officers?

Along with the professionalization of the communication function, the job profile of the Chief Communication Officer (CCO) has changed dramatically over the past decades. Communication leaders are no longer responsible for managing media relations and boosting the public profile of their CEO. They monitor public opinion building around the clock, manage globally spread communication teams, and run agile departments in a digitalized environment. CCOs increasingly act as consultants to top management in corporate strategy processes and as supporters of all business functions. This development is manifested in new success profiles and incentive systems. A reflection on the different roles of communicators is needed to understand their personal contributions to corporate success. Our research team explored the new responsibilities of today's CCOs.

- *The new Communication Manager Roles Grid visualizes the diversity of roles performed by today's communication executives in eight dimensions. It can be used to define success profiles, examine competencies, set up personal goal agreements, or reflect on individual performance in everyday business. (p. 8-12)*

2. How do communication departments contribute to success?

Studies reveal that top executives and internal business partners, e.g. leaders of other departments, rate communication departments quite often by the success of single campaigns and events. They often lack a comprehensive understanding of the strategic contributions to organizational success. Communicators, on the other hand, often report success in terms of media outputs, outreach of online communications, or other operational activities. They rarely document the department's critical impact on reflecting and adjusting corporate strategies. Against this background, it is essential to make a distinction between different strategic and operational contributions to corporate success. Reflecting on strategic contributions counteracts the tendency of communications to be reduced to an operational support function.

▶ *The newly developed Communications Contributions Framework illustrates four core contributions of communication departments to corporate success. It is useful to systematize assigned tasks into strategic and operational dimensions – a popular approach in management. This allows prioritizing communication goals and allocating budgets in a systematic manner. It facilitates the collaboration with top management and other departments, and helps to leverage the full potential of corporate communications. (p. 16-20)*

3. What are the core values generated by communication?

The communication industry has not yet arrived at a commonly agreed-upon understanding of how communication creates value for organizations. Looking into academic research is no help because various research traditions provide different theoretical answers. They are seldom combined or recognized by each other. Thus, an interdisciplinary reflection of the multi-faceted dimensions of communicative value proved necessary. It helped us to develop a holistic understanding of the overarching impact of communications.

▶ *The Communication Value Circle describes value creation through communication in 12 dimensions derived from four generic corporate goals. It can be used as a tool to identify and structure communication goals at the level of business impact, and to match every goal with a set of performance indicators. By setting the same priorities, the Communication Value Circle establishes prerequisites for aligning the communication strategy with the overarching corporate strategy. (p. 22-27)*

4. How can communication be aligned with corporate strategy?

The importance of aligning communication goals with overarching business goals has been acknowledged consistently. Yet, strategic alignment remains the most enduring challenge for the profession. In fact, today's communication goals are seldom linked to corporate strategy. Established management tools for ensuring alignment are missing. Processes differ widely across companies. In order to interact with top management on an equal footing, communication departments have to demonstrate that their strategy is in line with corporate strategy. To advance the debate, the conceptual foundations of alignment and the process of linking communication to strategy in daily practice were explored during the research project.

▶ *The Alignment Process visualizes how to link communication goals to overarching corporate goals. Our research findings contribute to a better understanding of the concept of alignment – from alignment to strategy, to culture, identity or people – and highlights the need to communicate corporate strategy in order to ensure a consistent orientation of employees. (p. 28-31)*

5. How can communications be managed and steered?

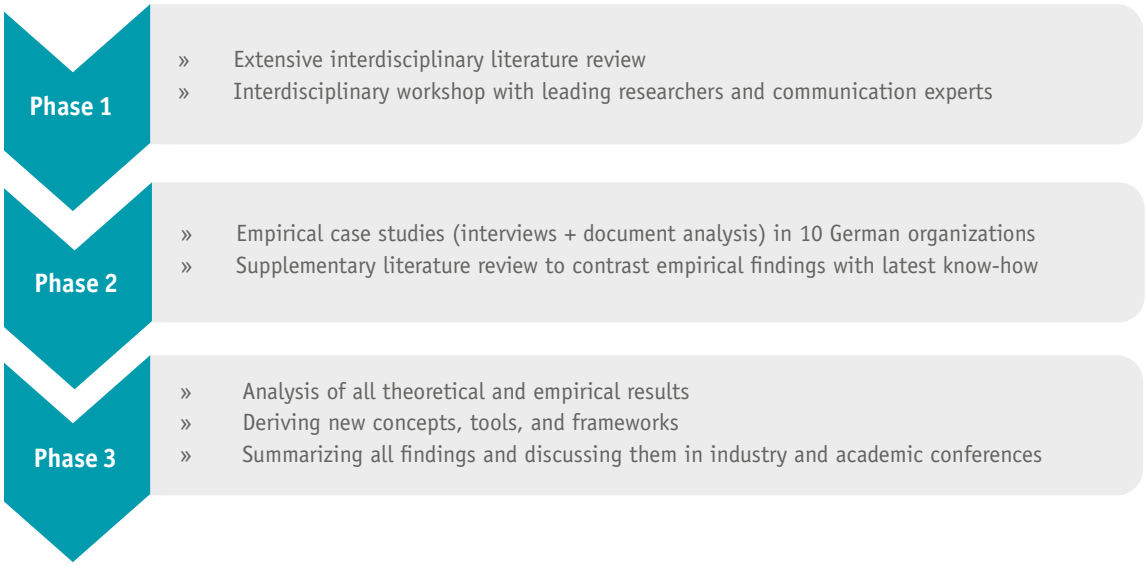
Growing communication needs pose new challenges for communication executives who have to fulfill manifold managerial responsibilities. These range from coordinating and steering teams and resources to integrating and orchestrating all communication activities of the organization. In times of restructuring and cost-cutting, the effective management and organizational set-up of communication departments becomes even more crucial. Various management tools can be adapted to evaluate process efficiency, optimize internal workflows, foster communication activities and measure impact. However, only few are used in communications, and a comprehensive overview is missing.

▶ *The Toolbox for Strategic Communication Management provides an overview of established management tools and communication tools for analyzing, planning, executing, and evaluating communications. It can be used to strategically steer and manage communications. (p. 35-40)*

ABOUT THIS RESEARCH PROJECT

The research project is part of the overall research program *Value Creating Communication* initiated by the Academic Society for Management & Communication based in Leipzig, Germany. It explored the aforementioned five questions by combining different qualitative methodologies in three research phases.

Overview of the research project 'The value of corporate communications' at the University of Leipzig



Phase 1 - Literature review

In *Phase 1*, we systematized existing academic knowledge on value creation published from the year 2000 onwards. The literature review identified 815 publications in 36 international journals, books as well as professional publications across several disciplines (public relations, marketing, management, etc.), which investigate value creation through communication. Moreover, various concepts of value creation in business were explored and integrated into our analysis. Based on this extensive review, we developed a first theoretical rationale of value creating communication. We presented our preliminary findings in an interdisciplinary workshop with leading international researchers, communication and business experts and collated the know-how and experience from corporate practice and neighboring research disciplines.

Phase 2 - Case studies

In *Phase 2*, we conducted qualitative case studies in 10 organizations across different industries, combining in-depth interviews with heads of corporate communications and document analyses of more than 50 internal and external strategy documents, planning documents, and strategy formulations in annual reports. The interviews lasted between 90 and 180 minutes and included an interactive exercise to trigger the interviewees' opinions about how communication contributes to corporate value creation. In addition to the empirical material, we conducted a supplementary literature review to contrast the empirical data with the findings from the latest international research in the fields of communication and management. The goal was to reconstruct the current realities in communication departments and compare the self-descriptions of communicators with concepts discussed in research.

Phase 3 - Analysis and results

In *Phase 3*, we summarized and synthesized all theoretical and empirical results, leading to the development of new frameworks, perspectives and concepts: the Communication Manager Roles Grid, the Communications Contributions Framework, the Communication Value Circle, the Alignment Process, and the Toolbox for Strategic Communication Management. We have started to present our findings at industry and academic conferences across Europe, the United States, the United Kingdom and Asia to collate feedback from academics as well as communication executives. We have used the feedback to derive real-world implications for corporate practice with scientific claims and to develop new perspectives for future research.

▶ *The team of researchers at the University of Leipzig, Institute of Communication and Media Studies, who contributed to this research project included Karen Berger, Dr. Anne Linke, Dr. Christine Viertmann, Sophia Charlotte Volk and Prof. Dr. Ansgar Zerfass. Graduate students Luisa Bisswanger, Maria Borner, Marcus Fetzer and Karolin Köhler supported as research assistants. Prof. Dr. Joachim Schwalbach from the Institute of Management at Humboldt University Berlin acted as academic advisor.*

FURTHER READINGS

Communication Insights
Issue 1 „Was bringt das alles?“ provides a comprehensive overview of the most important concepts for measuring and evaluating communications (German only).

Issue 2 „Wohin geht die Reise?“ focuses on changing conditions for communications through digitalization, globalization and individualization, with a special emphasis on Big Data (German only).

Available for download at www.academic-society.net

Forthcoming book
Zerfaß, A., & Volk, S. C. (2018). Steuerung und Organisation der Unternehmenskommunikation – Konzepte und Tools für Unternehmensleitung und Kommunikationsverantwortliche. Wiesbaden: Springer Gabler.

This book in German language will address communication executives, communication consultants, top managers as well as communication researchers, and will further expand on the findings presented in this issue.

ⓘ Your takeaways

Communication professionals can benefit from the results and perspectives presented in this publication in multiple ways. Throughout this issue, renowned chief communication officers will provide first-hand insights into best practices in their organizations. Readers will find suggestions on how to:

- Reflect on your multiple communicator roles – and report on your individual contributions.
- Report on the strategic contributions of the communication department – not only key projects or operational activities.
- Explain consistently how communication creates value for the company – and measure success.
- Ensure the alignment of communication goals with corporate strategy – and visualize it.
- Combine communication tools with established management tools – and steer communications strategically.

WHICH ROLES ARE PERFORMED BY CHIEF COMMUNICATION OFFICERS?

THE COMMUNICATION MANAGER ROLES GRID REFLECTS THE MULTIPLE ROLES OF TODAY'S COMMUNICATORS

Communication leaders have manifold responsibilities, ranging from reputation management, to steering communication teams and counseling top managers in decision-making processes. This can be observed in the changing success profiles of Chief Communication Officers (CCOs) and closer links to the C-suite. Yet, research into the many new roles of CCOs has been lagging behind. In order to bridge this gap, we analyzed existing role conceptions in PR and communication literature and have also spoken with ten global heads of communication about their multi-faceted responsibilities in daily practice. The newly developed Communication Manager Roles Grid depicts the role diversity of today's communication executives in eight dimensions. It can be used for assessing individual competencies or setting personal targets.

A perennial topic for research: multiple role conceptions

Research into professional roles has been a very popular research topic in communication and management sciences for decades. The origins of roles research in the field of communication in the late 1970s were characterized by a strong interest in diverging gender roles and related salary gaps. Today, research investigates diverse aspects such as leadership or competency development. Over the years, many different role concepts have been suggested. Some are based on theoretical conceptualizations, some on normative ideas, others on surveys among professionals in different countries. Most studies have indicated that practitioners perform between two up to six different roles during their daily work (Fieseler et al., 2015).

PR managers and PR technicians

The pioneers of PR roles research, Broom and Smith (1979), proposed a four-role typology:

1. The *communication facilitator* acts as an information broker, liaison, and mediator between the organization and its publics.
2. The *expert prescriber* works on public relations problems and offers solutions.
3. The *problem-solving process facilitator* collaborates with line management and helps to apply a rational problem-solving process.
4. The *communication technician* is responsible for producing communication materials for the public relations effort.

Over time, the four-role concept was simplified and reduced to only two role dimensions: the *PR technician* and the *PR manager*. In this widely known typology, technicians produce and disseminate materials, whereas managers develop communication strategies based on research and analysis and play an important role in decision-making processes. Despite further developments, the two-role typology still remains popular especially in North American research (Broom & Smith, 1979; Dozier, 1984). Studies from South Africa have built upon this and added a third role to the manager-technician dichotomy – the *PR strategist* – arguing that a more concise separation between strategic and operational roles is necessary (Steyn, 2003).

Reflective and educational roles

In addition to the widely used two-role concept from North America, European researchers have suggested that communication practitioners have two additional roles: a reflective and an educational role. According to large-scale surveys across European practitioners, the *reflective communication professional* analyzes changing standards, values and standpoints in society and discusses these with the members of the organization. The *educational communication professional* helps the members of the organization to communicate professionally (Ruler & Vercic, 2005; Tench et al., 2017). Empirical studies of chief communication officers and their work routines support these concepts and configure them in various ways (e.g. Nothhaft, 2010).

» If communications officers want a seat at the table when decisions are being made … we must be more than just storytellers.«

Arthur W. Page Society, 2016

Management and leadership roles: insights from management research

A look at the management literature can provide some interesting insights. The management discipline has a long tradition in researching role concepts. According to these findings, managers typically perform a large number of different roles. Still popular today are for example the *10 managerial roles* outlined by Henry Mintzberg in 1973. He differentiated between 'Figurehead, Leader, Liaison, Monitor, Disseminator, Spokesperson, Entrepreneur, Disturbance Handler, Resource Allocator, and Negotiator'.

Another well-known concept focuses on the role of leaders in the organization and the question of how to steer teams efficiently and effectively. Tannenbaum and Schmidt (1958) proposed a *leadership continuum* that shows the relationship between the different levels of freedom that a manager chooses to give a team. The model suggests seven different leadership styles on a continuum, ranging from highly manager-oriented to highly team-oriented. Choosing the best fitting leadership style for each situation and team characteristics is critical for organizational performance. Developing leadership competencies is also highly relevant for today's communication managers who increasingly steer global communication teams with employees from different cultures, ethnicities, generations, and with different norms and expectations (Tench et al., 2017). Communication leaders therefore need to acquire skills in team and conflict management and cross-cultural communication, and need to adjust their leadership behavior to the varying demands of different employees (Berger & Meng, 2014).

Changing job profiles: from PR manager to CCO

The rapidly changing job profile of today's communication executives can be observed in the ongoing development of job titles over the years: from PR manager to Head of Communications to Chief Communication Officer. Today's CCOs are more than a press officer or an event manager. They provide information for corporate management decisions by observing public opinion trends in traditional and social media and anticipating societal needs. In many companies, they act as a personal and trusted advisor of top management and co-design corporate strategy. In their role as department head, CCOs have managerial responsibility for the performance and set-up of the communication department. They head teams of up to several hundred specialists, steer agencies and service providers around the world, and handle budgets of up to several million Euros.

The transition from being an executor to a consultant, and from a producer of communication materials to a business supporter, is manifested in the personal objectives for communication leaders. Today's success profiles are increasingly built upon clear, figure-based and measurable annual targets, often linked to corporate targets.

CCO Targets

An example from the CCO target agreement in a leading international pharmaceutical company:

+ 15 %
net-positive impact of the corporate reputation

+ 40 %
user engagement in social media (Twitter, Facebook, Weibo)

+ 3 %
employee engagement score across the company

The different roles of communicators in the value creation process

Although a variety of role concepts exist, our literature review revealed that they are not universally applicable and that the distinctions remain fuzzy. That is why we developed a new concept based on our interviews with ten Corporate Communication Officers. It aims to build upon the existing role concepts outlined above. The Communication Manager Roles Grid (CRG) depicts the role diversity of communication leaders in eight dimensions. It also introduces a clear distinction between strategic and operational roles.

These roles should not be seen as mutually exclusive as they will overlap to a certain extent. The distinction between strategic and operational roles in the real world is also blurred due to the fact that strategic tasks and operational activities often go hand in hand. Some CCOs will predominantly perform strategic roles. Others might spend more time in operational roles, just like their team members do. Balancing roles and their requirements is an ongoing challenge.

The Communication Manager Roles Grid

The following exemplary quotes are abstracted from our qualitative interviews. They illustrate the typical tasks associated with each role.

AMBASSADOR

» I act as a visionary and convey the corporate strategy to key stakeholders to ensure our corporation's legitimacy. Through my unique contact points with important customers, investors, or politicians, I detect trends in the external environment proactively and inform top management about critical issues. In change processes, I create vision, promote change, and lead the way as a strategic pioneer of new ideas. «

In this role, the Chief Communication Officer (CCO) is legitimized by other organizational members to act as an official ambassador on behalf of the organization. Thus, the ambassador provides direction to turn strategic issues into action. The ambassador or 'visionary' is a popular concept which is commonly used in management research. (e.g. Mykkänen & Vos, 2015; Riel, 2012)

COMMUNICATION STRATEGIST

» I define overarching communication goals that are aligned with our corporate strategy and mission statement. In other words, I carry entrepreneurial responsibility that communication targets contribute to the long-term success of the company, for instance a professional reputation management or a unique brand positioning. «

The main tasks of this role include deriving a communication strategy and linking it to corporate strategy. The communication strategist must have a good understanding of the company's strategy to be able to break it down into concrete communication targets.

STRATEGIC MANAGER

» I am responsible for the long-term success of the communication department and its future contribution to organizational performance. My responsibilities include creating development programs for the communication staff and improving the department's competencies in digital communication. «

The strategic manager has to manage the communication department effectively. He should be able to identify potentials for innovation for the department in order to support the long-term growth of the organization. For fulfilling managerial positions, communicators should know popular management tools and concepts. They need leadership competencies for steering communication staff and external agencies (e.g. Bronn, 2001; Moss, Newman, & de Santo, 2005).

ADVISOR

» I see myself as a key policy and strategy advisor for future corporate development. Whenever our top management has to make strategic decisions affecting corporate legitimacy, I am asked to participate in strategy meetings. I consult based on my knowledge gained from monitoring key stakeholders. Our CEO frequently asks for my advice, even if there are no touchpoints with communication projects. «

In this role, the CCO draws the attention of top management to potential communicative risks, societal expectations and critical issues, and provides advice on strategic decisions. The advisor has a trust-based relationship with senior managers. He is valued by internal partners for the ability to span corporate boundaries (see Infobox on 'boundary spanning', p. 12). To fulfill this role effectively, the CCO has to be able to offer serious, frank, and even bold consultation to top management as well as to maintain a good relationship with key stakeholders. (e.g. Zerfass & Franke, 2013).

MULTIPLICATOR

» Every employee should know and understand corporate strategy. My role is to communicate our strategic goals by selecting the right channels and language when addressing our different stakeholders inside and outside the organization. For instance, I set up communication activities that accompany the launch of a new corporate strategy. This is done by internal communications that facilitate a dialogue between top management and employees, and by addressing general publics. «

In this role, the communication executive is responsible for providing platforms and channels to articulate strategic management decisions internally and externally. By multiplying corporate strategy through communication measures, the CCO supports strategy implementation and execution. Multiplicators break down the strategy into clear and easily remembered messages (e.g. Huebner et al., 2008; Mayr & Siri, 2010).

PROFESSIONAL COMMUNICATOR

» I support daily business operations by delivering professional communication. One of my main tasks is to produce communication materials, creating messages for internal and external communication, or maintaining social media platforms. Skills such as writing, editing, and working with media are indispensable in my function. «

The professional communicator implements specific communication measures that have been defined in an overall communication plan, and hence operates at a tactical level. Skills such as improvisation and editing are important aspects of the operational communicator repertoire (e.g. Gregory & Willis, 2013; Steyn & Everett, 2009).

OPERATIONAL MANAGER

» My task is to administer daily business processes, establish efficient routines, and implement top management decisions such as compliance guidelines. I evaluate the success of communication activities, interpret measurement data, and report to top management on the department's goal achievement. In addition, I have regular meetings with my communication team to coordinate tasks and give feedback. «

The operational manager focuses on routine tasks such as budgeting, staffing, controlling and analysis. Communication experts in this role must have competencies to manage resources and coordinate integrated messaging processes across shared, earned, owned and paid media (e.g. Dozier, 1984; Moss & Green, 2002; Macnamara et al., 2016).

COACH

» I coach top executives and other departments to communicate professionally. This includes presentation skills, rhetorical training or contingency plans. I also write speeches for our top management and offer personal media coaching. Insights from issues management and monitoring help me in this role. «

One of the main tasks of the CCO and other communicators is to enable other employees to communicate professionally. This includes the orchestration of many different voices of the organization. Coaching and feedback skills are essential to enable employees and executives to improve their personal communicative competencies in a world of polyphonic messages (e.g. Falkheimer et al., 2016; Heerden & Rensburg, 2005; Zerfass & Viertmann, 2016).

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THE BOUNDARY SPANNER

The boundary spanner operates at the interface of the organization and its environment. He monitors environmental developments, anticipates their consequences for organizational strategies, develops relationships with relevant stakeholders and acts as a representative for the organization in the external environment. Through the unique familiarity with key stakeholders, the boundary spanner can help to ensure the best fit between the organization and stakeholder expectations – as far as this is feasible.

Using insights for counseling

The boundary spanner provides critical input for strategy formulation processes. Since he constantly evaluates the perception of the company and key issues, he can advise decision makers about possible public reactions to organizational actions or strategies.
This requires the ability to think out of the box and also in interdisciplinary terms. Dealing with the complex circumstances of communication, management and politics characterizes this job. The activity of spanning corporate boundaries and counseling top managers is typically performed by the advisor in *the Communication Manager Roles Grid*. (Grunig & Hunt, 1984; Planer & Winkler, 2016; Stamper et al., 2003)

» With the heightened importance of building collaborative relationships in today's fast-paced and hypercompetitive business environment, these boundary spanners are being asked to serve as 'relationship champions'. «

Fugate et al., 2012

How to use the Communication Manager Roles Grid

- The Roles Grid helps to reflect on one's personal role fulfillment and takes a critical look at competencies for each of the eight roles. Communicators can identify their roles in the organization by asking: How much time do I spend in each role? Do I perform well in those roles? How do others perceive me? Do they value my roles as much as I expect?

- The grid can be used to identify individual needs in order to advance competencies. However, nobody has to have excellent skills for performing every role. Leaders can use the grid to match competencies of team members to build up teams with a diversity of skills, create job profiles and ensure that the right staff are in the right position.

- Finally, the Communication Manager Roles Grid can be used to set personal targets and report individual performance in all eight role dimensions.

ⓘ At a glance

- The Communication Manager Roles Grid (CRG) systematizes the multi-faceted tasks of today's communication executives in eight dimensions and helps to better understand the different strategic and operational roles performed. The tool can be used to reflect on individual performance. It supports leadership when used to define success profiles or set personal targets.
- A wide range of managerial competencies are needed to fulfill the many responsibilities of communication leaders. A solid comprehension of popular management concepts and tools is important. Moreover, a good understanding of the organization is relevant to be able to provide consultation to top managers.
- Communication executives can benefit from by better demonstrating their personal contributions to corporate success. In particular, they can emphasize their strategic roles as ambassadors of corporate strategy and advisors of top management.

🕮 FURTHER READINGS

Gregory, A., & Willis, P. (2013).
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INTERVIEW: COMMUNICATION PROFESSIONALS AS STRATEGY ADVISORS

INSIGHTS INTO THE CCO'S ADVISORY ROLE AT OSRAM AND VOITH

Consulting during strategy development processes poses a unique opportunity for the communication department to manifest its contribution to the future positioning of the corporation. Communicators are an important interface to the company's environment. By monitoring the media and listening to stakeholders, they help to identify relevant topics and trends critical for corporate success. We talked to the Chief Communication Officers at OSRAM and Voith about how they perceive their advisory role during strategy building.

OSRAM: Consulting in a state of transition

OSRAM was spun off from Siemens in 2013 and listed on the stock market. At the same time OSRAM turned away from its traditional light bulb business, which made up roughly 40% of its revenue. The remaining company now concentrates on high technology solutions for automotive applications such as lasers and autonomous driving sensors. Lighting solutions for smart cities and buildings together with intelligent infrared technology for smart devices are also part of its portfolio. These fundamental changes required not only a new vision and strategy, but also a new corporate culture among employees. The communication department, headed by Jan-Peter Schwartz, has overseen this transition. The CCO was an important consultant for the board and the top management when it came to developing the company's new positioning and getting the employees on board.

Mr. Schwartz, what were the key challenges for your communication department?

OSRAM faced really difficult times because the lighting business has been hit by disruptive technology. The market is undergoing fundamental changes. And so is OSRAM. We had to revise our strategy to prepare our company for the future. We had to rethink our business model, our products, our processes and especially our culture. The discussion on how to set up our new strategy between the top management and the supervisory board lasted several months and became quite intensive at times. As the corporate communication department, we had to oversee the restructuring process. This included communicating with our employees and informing external stakeholders and investors about OSRAM's future positioning. The key challenge was and is to secure our employees' confidence and trust in our top management and to prevent rumors through timely and open communication.

What was your role in the strategy implementation process?

When talking to our co-workers, I noticed that our employees had quite different understandings of OSRAM's new strategy and positioning. However, it is critical for the success of a new strategy that all employees have a common idea of the long-term vision and that it becomes embedded in corporate culture. My role was to raise our CEO's awareness for the significance of professional communication in supporting the strategy implementation process. Our communication department consulted and supported our top management on how to communicate the new vision internally, on how to generate leadership support and engage all employees. In addition, our department explained the strategy to the capital market, media and customers.

What measures did you implement and what were your key learnings?

We decided to set up a small but effective project group with colleagues from strategy, corporate culture, human resources and branding, to discuss what OSRAM will achieve in 2020. Our key learning was that we needed to find the right balance between bottom-up participation and feasibility issues. In other words, we needed to involve colleagues from every hierarchy level of corporate departments and also business units. But this slows down decision-making processes considerably. We worked on the new positioning of OSRAM for several months with the goal of developing a common vision to be understood and shared by all employees – regardless of which business unit they belonged to. Our objective was to enable all employees to communicate OSRAM's new positioning in one voice when speaking to their customers and stakeholders.

What is your advice to other communicators who face a fundamental transition in their business and the need for a new strategy?

There is a lot of advice I could give. Firstly, always try to think outside the box when it comes to what the future may hold. Challenge yourself in a disruptive way. What happened to OSRAM and its lightbulb business model could happen to any company in the world. The more you are prepared and on alert status, the smoother a change process will be. Secondly, in times of disruption, change and restructuring, it is hugely important to create a culture of change and the right mindset among all employees – including the board. You need to develop a stringent and easy-to-understand strategy with a common vision that the entire team can share. Be aware and manage your tolerance for frustration – not everything works out in the first try. Last but not least, as a communication department, act as a vanguard and try to incorporate the right, but also many levels of management, staff and external stakeholders in your decisions without losing too much speed and dynamic torque. Gaining their support will decide the success of your company. There is no chance to work by the book.

> *» Be aware and manage your tolerance for frustration – not everything works out in the first try.«*
>
> *Jan-Peter Schwartz*

Thanks for the interview!

***Jan-Peter Schwartz** has been Senior Vice President of Corporate Communications & Brand Strategy at the leading global light manufacturer OSRAM in Munich since 2014. Prior to that, he headed the communication teams at Siemens Energy in Erlangen and RWE Energy in Dortmund. Schwartz started his career at the German broadcaster WDR and worked as correspondent in Africa. He holds a graduate degree in economics from the University of Wuppertal, Germany and a MBA in Communication & Leadership from the Technical University of Munich, Germany.*

OSRAM

***Lars A. Rosumek** is Senior Vice President Group Communications at the international technology company Voith in Heidenheim, Germany. He joined Voith in 2010 as Head of Issues Management and took over the responsibility for Group Communications in 2011. Prior to that he worked for Kraft Foods Germany, the Technical University of Darmstadt and for the communication consultancy Molthan van Loon. He holds a master degree in communication.*

VOITH

Voith: What it takes to advise your CEO

Voith is one of the largest family corporations in Europe and a strong player in the industry segment. The company is about to finish a 4-year-long success program called 150+, the largest change project in the corporation's recent history. Voith's CEO, Dr. Hubert Lienhard, has entrusted Lars Rosumek and his team with communicating the new strategy to the company's more than 19,000 employees and driving the cultural change.

Mr. Rosumek, how were you involved in the 150+ change project?

The process started in 2013 with several decentralized change projects. To frame all these projects and provide guidance, my communication team developed the overall umbrella 150+ and a strategic rational to give all measurements clear objectives and one direction. We set up an internal communication plan to inform, involve and engage all employees, including road shows around the world. One focus of the rollout process was how to gain executive managers' buy-in around the globe and give employees clear orientation about the state of the company.

How would you describe your relationship to your CEO?

I would describe my role as a seismograph because one of my main tasks is to anticipate trends and moods in Voith's environment and ecosystem. In addition to my role as the Chief Communication Officer at Voith, I also serve as a member of the senior management circle. For today's communication leaders, strong management and organizational planning skills are indispensable – we need to speak the same language as business if we want to participate in major management decisions.

> *»In my role as a seismograph I anticipate relevant trends in Voith's environment.«*
>
> *Lars A. Rosumek*

What consequences does this relationship have for you and your team?

My team has been very agile in order to quickly adapt to new communication trends, identify innovative ideas, or support special projects with accompanying communication. While being creative in our daily communications, we have to adhere to management logic, fulfill communication targets, and evaluate our success. It can be risky for an organization if the communication department relies purely on personal relationships for example to the CEO and cannot convince other internal customers of its value contribution by presenting measurement data and reliable performance indicators.

In your mind, what does it take for communicators to become trusted advisors to top management?

Offering proven expertise to reduce complexity and turning complex management processes into understandable and supportable rationales are key to becoming a trusted advisor. But for sure, trust has to be earned with hard and reliable work. As far as I am concerned, communications in large organizations are – at least to some extent – a service function which has to put the internal customers in the middle.

Thanks for sharing these insights!

HOW DO COMMUNICATION DEPARTMENTS CONTRIBUTE TO SUCCESS?

THE COMMUNICATIONS CONTRIBUTIONS FRAMEWORK IDENTIFIES EIGHT STRATEGIC AND OPERATIONAL CONTRIBUTIONS

Even though most executives view communications as critical for corporate success, they lack an understanding of communications' contribution to value creation. Explaining and reporting communication impact in the language of top managers becomes a key success factor. Our newly developed framework can help communication professionals overcome this challenge.

Why a consistent story of communications' contributions is needed

Communication leaders are often confronted with the question of how communications adds value to the organization. When asked to provide answers to top executives, professionals use multiple stories. These range from defining communication goals and delivering communication activities to building reputation and boosting sales, to name a few. Interestingly, communicators report predominantly on day-to-day operations, key campaigns and easily measurable activities such as online statistics. But they seldom demonstrate that communication is also an ongoing strategic process that adds significant value to the company's goals. A consistent story seems to be missing. It is little surprising then that executives continue to view communicators as channel producers or service providers and relegate communications' impact to the most visible outputs (Brønn, 2014; Falkheimer et al., 2017; Zerfass & Viertmann, 2017).

This makes it important to draw a more precise picture of the various strategic and operational contributions of communication departments. In order to explain and report the full potential of communication, a common awareness of communications' contribution and a consistent story are needed.

A first glance into research

Previous research has shed little light on the communication department and its contribution to value creation. Our literature review revealed that large-scale empirical benchmarks of communication departments remain rare in contemporary research. Most data available is based on singular case studies exploring the structure and size of communication units across different countries and industries. Therefore, it remains difficult to identify success factors for the set-up of communication departments, such as budgets, staffing or efficient process structures.

What makes communication departments excellent?

Only few research projects have explicitly explored what makes a communication department successful and how to manage and steer the unit efficiently. The first large-scale study, the IABC Excellence Study headed by well-known American researcher James E. Grunig, identified the characteristics that make communication departments excellent.

Key insights were:

- Communication departments should be empowered as members of the top management in order to unfold their full potential and make a strategic contribution to corporate success. Hence, physical and mental proximity to the CEO is key.
- A communication manager with a managerial mindset and professional experiences should lead the communication unit.
- Goal setting is important for measuring communication effectiveness and ensuring efficient processes.

Recently, this normative approach has been complemented by a new approach based on excellence models in strategic management and large-scale empirical surveys across more than 40 European countries. The Comparative Excellence Framework for Communication Management (see further reading, p. 20) identifies drivers of excellence on the organizational, departmental and professional level. It names nine commandments of excellent communications. This expands on traditional insights and is compatible with our own qualitative research (Tench et al., 2017; Vercic & Zerfass, 2016).

Reporting success in the language of management

If communication professionals are to be perceived as key actors in the organization, they need to speak and report success in the language of management. In order to systematize the different contributions of the communication department, we have developed a framework that introduces a distinction between strategic and operational activities. This type of approach is often found in management literature (Drucker, 1986; Porter, 1996). Surprisingly, it has not been popular in communication research so far, except for approaches which have differentiated between strategist and technician roles of communication executives.

A new framework to explain communications' contributions

The findings from the literature analysis have been summarized and contrasted with insights from the empirical interviews conducted with ten heads of communication at global corporations. This allowed us to build a framework for explaining the contributions of communication departments to organizational success: the Communications Contributions Framework (CCF). The framework suggests that communication departments deliver four core contributions.

BENCHMARKING PRACTICES

Benchmarking communication departments is not very common in the business world. Many companies adhere to excellence models (EFQM, Malcom Bridge) and assess their production lines or customer service processes against best practices from the industry. However, they seldom use this in communications except when analyzing share of voice in the media or comparing owned online media.

This might change in the future due to a new initiative called the **Communication Benchmarking Initiative**. The idea came from the CCOs of several large German corporations and is organized within the Günter Thiele Foundation. Its goal is to provide more transparency of the structures and financial resources of corporate communications departments. The first annual survey among German companies will be launched in 2017.

COMMUNICATION BENCHMARKING INITIATIVE
Eine Initiative der Günter Thiele Stiftung

@ www.communication-benchmarking.de

» As communicators, we compete for resources. We have to justify our contribution to the success of the company and defend budgets. Benchmarking helps above all to create greater transparency in costs and employee structures. This supports discussions with top management and management consultants, internal audits, and leading the communication department. «

Dr. Christoph Zemelka, Senior Vice President Corporate Communications, Brand Management, and Sustainability, Robert Bosch

The first two contributions – (1) *Convey & Multiply* and (2) *Align & Contribute* – illustrate the core activities: communication departments support corporate goals directly by communicating the corporate strategy and indirectly by supporting corporate goals through communicative activities. For the latter, they derive communication targets from strategy and support daily processes of all organizational functions.

The third contribution (3) *Steer & Manage* refers to general managerial activities that every unit has to fulfill and implies that the department has to work effectively and efficiently.

The fourth contribution (4) *Advise & Coach* includes communicative support for top management and other departments, but also some rather new tasks. Communication departments are increasingly involved in strategy processes as they provide advice based on the unique insights gained from monitoring stakeholders, social media and public opinion.

The Communications Contributions Framework

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Strategic: doing the right things

Tasks and activities are strategic if they relate to the core positioning of corporations in a substantial way and create potentials for future success. Following this understanding, a communication department delivers strategic contributions by implementing effective measures for organizational survival in dynamic environments. (Falkheimer et al., 2016)

Operational: doing things right

Tasks and activities are operational if they support ongoing business processes and help to generate profit. The focus is on mid- and short-term success, on the maintenance of liquidity and the license to operate on a day-to-day basis. The term 'operational' is often conflated with 'tactical' in communication literature. A communication department delivers operational contributions by implementing efficient communication services.

Eight strategic and operational contributions of communications

CONVEY & MULTIPLY

CONVEY: By convincing key stakeholders of the corporate strategy the communication department contributes strategically to corporate success. Therefore, the department uses its unique relationship network to influential journalists, politicians or critical stakeholders for the development of messages to convey strategic goals.

»The communication department develops communication plans for selected key stakeholders such as investors or internal leaders who are highly relevant to endorse the corporate strategy. This could be done via road shows and background talks.«

MULTIPLY: The communication unit contributes operationally to corporate success by passing on the corporate strategy and positioning to interested publics. Communication departments have to break down the strategy into comprehensible messages and distribute these in annual reports and CEO interviews, on websites or social media.

»It's a 100% communication for corporate strategy. Clear words as well as the right channels such as brochures, videos, press conferences, online communications and annual reports play a key role in explaining our company's strategy to all our stakeholders.«

ALIGN & CONTRIBUTE

ALIGN: Excellent communication departments ensure the strategic alignment of communication strategy with corporate strategy. They define objectives that either directly or indirectly add value to the company. Communicators need to know how to build reputation, manage brands, foster innovation, build up architectures of listening as well as how to set up communication strategies.

»The crucial task of the communication department is to translate the overarching corporate strategy into an aligned communication strategy and to define specific communication goals.«

CONTRIBUTE: The communication department delivers professional communication measures and supports the day-to-day operations of other organizational functions. Cross-divisional communications have to be integrated and orchestrated. Furthermore, messaging and listening competencies are needed.

»The communication team is in charge of communication campaigns, product publicity, or employer branding, and thereby enables the operation of other corporate functions such as product management and human resources.«

STEER & MANAGE

STEER: By steering key resources and critical processes of the communication department in a future-oriented and strategic manner, the department adds to the prospective performance of the organization. Communicators are required to have a solid knowledge of management and controlling tools to ensure the department's strategic management.

»The communication department offers programs to improve the communication staffs' competencies. It also develops effective structures in order to optimize internal workflows.«

MANAGE: Through planning, budgeting, allocating resources and measuring success, this contribution includes the management of the day-to-day operations of the communication unit. Leadership competencies as well as excellent project management competencies are important.

»The communication department has to do things right, by implementing processes efficiently, reducing costs, controlling operations and reporting on the broad range of activities.«

ADVISE & COACH

ADVISE: By consulting and advising the organization on its long-term strategic development the communication department gains influence in strategic decision-making processes. Research on the advisory function has recently seen a new rise under the terms 'listening' and 'internal counseling'.

»The communication unit is increasingly counseling top management with regard to the societal needs and expectations towards the company. By monitoring critical issues and trends, communications provide an early warning system for upcoming crises and offers strategic advice.«

COACH: By coaching the communicative competence of employees and executives, the department helps and enables all members of the organization to communicate professionally. This contribution remains under-researched. However, in today's media environment, every member of the organization is and should be a communicator.

»We have set up different formats to offer regular communication trainings and teach employees and top managers how to communicate professionally on behalf of our company.«

CATCHING THE ESSENCE OF STRATEGY

The significance of strategy for excellent communication management has been emphasized all along – yet, defining and formulating communication strategies is still an ongoing theme in the corporate world.

The term strategy originates from Ancient Greece in 6 BC and describes the strategist as an elected military leader. The term itself is derived from the Ancient Greek word strategia, which means 'office of the general'. Carl von Clausewitz, a Prussian military general from the 18th century, was one of the first authors to contribute to the theoretical discourse about the idea of strategy. The term was first used in organization theory in the 1950s and became popular in the following decades.

A strategy provides a description of an organization's positioning for the future, focusing on what should be done rather than how it should be done. Strategies ensure the best possible fit between an organization and its environment. They combine both plans for the future and patterns from the past (Mintzberg, 1987; Nothhaft & Schölzel, 2015; Raupp & Hoffjann, 2012).

Seen one strategy, seen them all?

There is not one strategy. Instead, different levels and types of strategies are important:

- **Enterprise strategy:** addresses the broadest level of strategy and describes how to secure the societal and political legitimacy of the organization (license to operate)
- **Corporate strategy:** defines the focused markets and products/services, how to compete in principle, and which unique combination of resources is necessary to stay successful (financially oriented)
- **Business strategy:** provides directions how to compete specifically in the chosen market or product segment (marketing oriented)
- **Functional strategies:** provide information on how functional areas, such as corporate communications, human resources or finance, should work together in order to support higher-level strategies.

(Bentele & Nothaft, 2014; Raupp & Hoffjann, 2012; Steyn, 2007)

Communication strategies

Communication strategy is a major buzzword in corporate practice. Practitioners speak of social media strategy, campaign strategy, crisis communication strategy, employer brand strategy and sponsoring strategy. However, much of what is labeled 'strategy' in every-day language is actually rather a plan, guideline or simply a list of communication measures. Communicators should use the term 'strategy' carefully. A strategy involves providing a general direction, not only tactics. In times of increasing media convergence and the blurring of communication genres, it appears questionable whether it is useful to develop single strategies for single channels. Instead, it is useful to formulate an overarching content strategy embracing different channels at the same time (Cornelissen, 2017).

How to use the framework

The Communications Contributions Framework (CCF) can help communication professionals to develop a convincing story of communications' impact:

- Reflect on the various strategic and operational contributions of the communication department in order to explain communications' impact in its complexity. Develop a solid storyline which demonstrates that communications is a strategic facilitator, not only a service provider.
- Prioritize and manage communication goals, budgets and human resources in accordance with the multiple contributions. Check that the right measures are in place.
- Report success in the same way as top managers to facilitate the cooperation with the board and other departments. Showcase the positive influence of communications on corporate performance with the aim of strengthening the departments' influence within the organization.

ⓘ At a glance

- Research focusing on the communication department's contribution to corporate success is rare. Large-scale empirical benchmarks are mostly absent.
- However, a common understanding of the various strategic and operational contributions of communications to corporate success is needed to leverage its full potential.
- The Communications Contributions Framework (CCF) outlines four core contributions. They are further broken down into eight strategic and operational contributions and follow established management models.
- Communication managers need to reflect on the department's numerous contributions and report on all of them, and not only on operational performance indicators or key projects. They should emphasize the critical role of communication departments in adjusting strategies and ensuring the license to operate.

🕮 FURTHER READINGS

Tench, R., Vercic, D., Zerfass, A., Moreno, Á., & Verhoeven, P. (2017). Communication Excellence: How to Develop, Manage and Lead Exceptional Communications. London: Palgrave Macmillan.

CURRENT PRACTICES IN CORPORATE COMMUNICATION DEPARTMENTS

BRIDGING THE GAP BETWEEN WHAT COMMUNICATORS DO AND WHAT TOP MANAGERS EXPECT

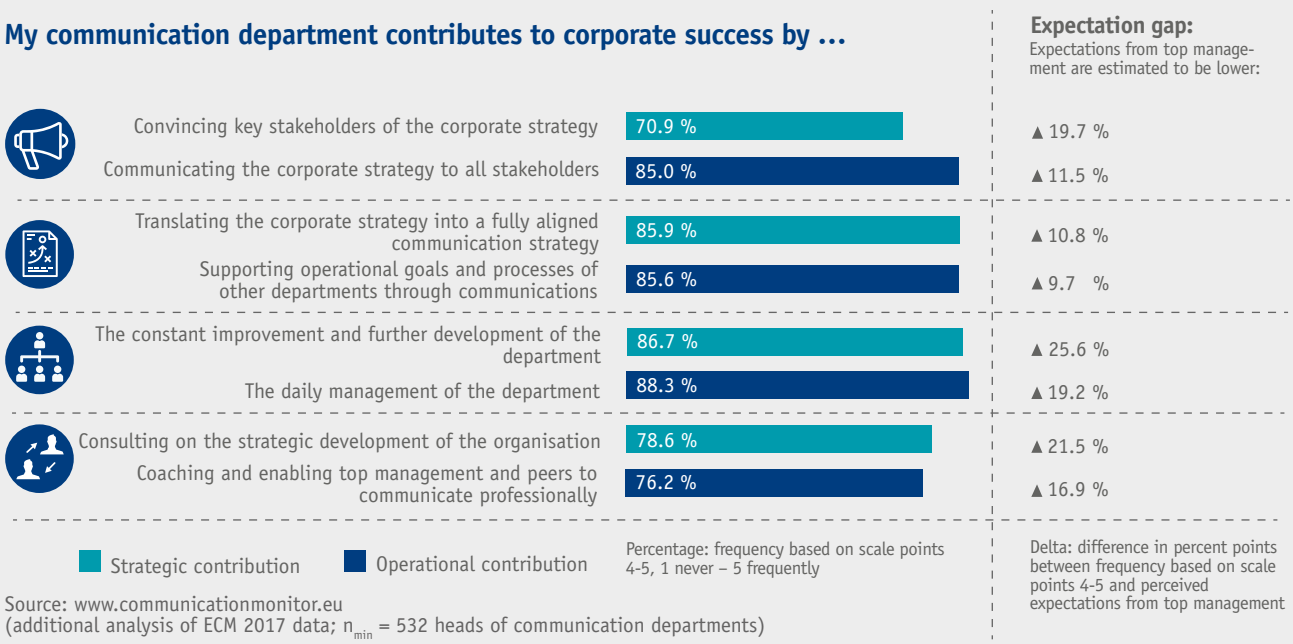
Communications can contribute to the overall success of corporations in many different ways, but top management does not always expect all of these contributions. More than 500 heads of corporate communications across Europe were interviewed about the strategic and operational contributions of their department to their company's overall success.

The data collected in spring 2017 shows that communication leaders add to corporate success primarily in two of the contributions outlined in the *Communications Contributions Framework* (see p. 18-20): Steer & Manage and Align & Contribute. The data reveals that the daily management of the department (88.3%) and its constant improvement and further development (86.7%) are the most time-consuming tasks for communication executives. Both tasks are general managerial activities that are relevant for any leader. Almost an equal amount of time is spent on the alignment of communication goals with organizational strategy (85.9%) and the delivery of operational support through communication activities (85.6%). The amount of working hours spent on strategic and operational tasks is evenly distributed. It is thus hardly surprising that communication departments are often perceived as carrying out a support or service function within corporations.

The survey results indicate that communication departments across Europe can leverage their full potential by focusing on two other dimensions from the *Communications Contributions Framework*: Convey & Multiply and Advise & Coach. Although 78.6% of the leaders provide frequent consultation to top managers on the strategic development of the organization, only 70.9% also support the strategic process of convincing key stakeholders of the corporate vision. Instead, the majority of communication heads mostly deal with the operational task of multiplying the corporate strategy across all channels to all stakeholders (85.0%).

Communicators believe that top managers have lower expectations

According to the communication leaders we surveyed, top management does not always expect them to fulfill all eight contributions. There are large gaps between how communication departments contribute to corporate success and what communicators believe is actually expected from top managers. The biggest gaps are in the constant improvement of the department (a difference of 25.6 percent points) and the provision of consultation to top management (a difference of 21.5 percent points). In contrast, the smallest gaps can be found in the delivery of operational support through professional communication (a difference of 9.7 percent points) and the definition of fully aligned communication goals (a difference of 10.8 percent points). Therefore, from the perspective of the respondents, departments are most often expected to Align & Contribute. This also means that communication heads still have plenty of room for raising executives' awareness of the significant role of communications as a strategic facilitator and business advisor, and ultimately, for increasing top management demand for professional communications.



Source: www.communicationmonitor.eu
(additional analysis of ECM 2017 data; n_{min} = 532 heads of communication departments)

WHAT ARE THE CORE VALUES GENERATED BY COMMUNICATION?

THE COMMUNICATION VALUE CIRCLE: A NEW FRAMEWORK VISUALIZES THE VALUE OF COMMUNICATION

Communication professionals use numerous and multifaceted rationales to explain the value of their work. These range from building reputation and brands to boosting sales and fostering employee motivation. However, communicators seldom share a consistent understanding of the multiple dimensions of communication value. At the same time, a variety of different theoretical concepts exist, which explain the contribution of communication toward organizational goals – yet they have never been analyzed and combined in order to draw a 'big picture' of communication value. In order to advance the debate, we have developed a new interdisciplinary framework that has successfully been tested and applied in practice.

The notion of 'value creation' describes the transformation of resources into goods or services with a higher financial value. This is the foremost goal of each business. As a consequence, all corporate decisions should focus on increasing the overall value of the company and not only on short-term objectives. This holds true for corporate communications as well (Argenti, 2016; Zerfass, 2008). In our understanding, contributing to the value creation by communicative means is the primary task of any communication department. But how exactly can communication add value to the business?

Searching for the 'big picture'

Our literature survey across different disciplines revealed that the question of how communication contributes to value creation for organizations has not been answered until now. There are many approaches, indicators, measurement methods and concepts for evaluation. However, they lead to different results, and a coherent and integrative approach is missing. There is a tendency among professional communicators and in the research community to focus on 'soft factors' such as creating reputation, brands or relationships. Other contributions such as issues management, internal communication consulting, mastering crisis situations or providing innovation support are not often seen as a priority.

In order to explain the process of value creation through communication more effectively, we have summarized the most relevant value dimensions of communication and developed a new interdisciplinary framework – the Communication Value Circle. It combines and expands on insights from an extensive literature review and expert interviews with the CCOs of global corporations.

The Communication Value Circle

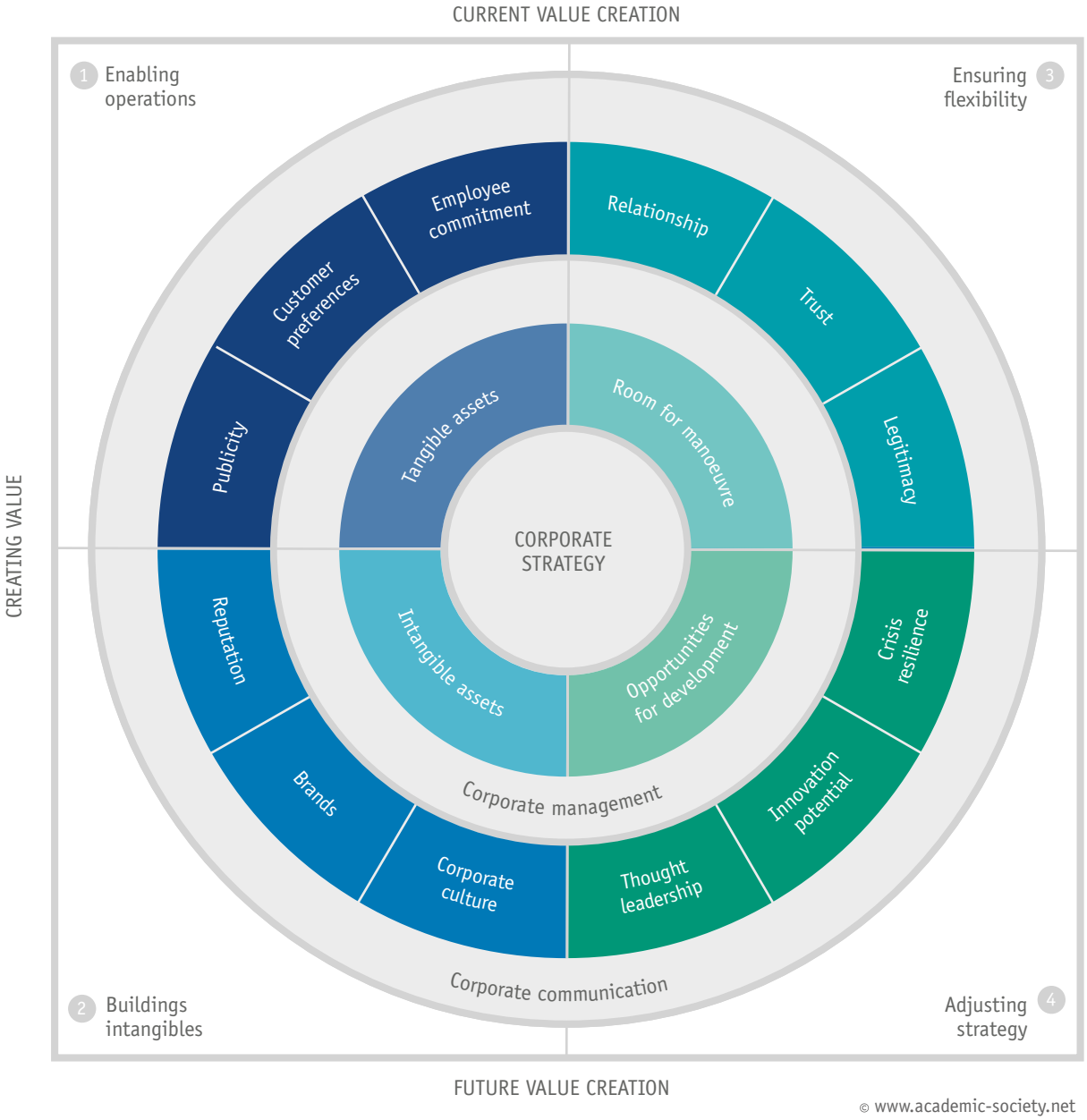
The Communication Value Circle (CVC) describes value creation on two levels: corporate management and corporate communications. At the core of the framework is the corporate strategy, which should be the starting point for all organizational decisions. Adapting and expanding on classical distinctions in management theory (e.g. Gälweiler, 2005), four generic corporate goals were combined to create a matrix in the inner circle. Tangible and intangible assets contribute to creating corporate value, whereas room for maneuver and opportunities for development contribute to enabling value creation. Tangible assets and room for maneuver represent the current value creation of the corporation, while intangible assets and opportunities for development foster future value creation. Every function within the corporation supports these four dimensions of corporate value. As such, the generic goals are applicable to human resources management, sales or, as in this case, corporate communications.

Four overarching communication goals with twelve value dimensions

The corners of the framework illustrate four overarching goals for communication that are clustered into twelve communication value dimensions (outer circle). They were all derived from the four corporate value dimensions (inner circle).

1. **Enabling operations:** communication supports business operations, e.g. through stimulating publicity, customer preferences, and employee commitment. By disseminating content and messages and raising attention and awareness for strategic issues, products or services, communication keeps an organization running and enables the creation of material assets. By managing dialogues with employees, suppliers, customers etc. on a daily basis, communication builds the basis for delivering value to key stakeholders.
2. **Building intangibles:** communication helps to create intangible assets, such as reputation, brands or corporate culture. Intangibles are part of the overall company value. A positive reputation and strong brands create a strong corporate identity. Integrating the specific culture and history of a corporation into its internal and external communication is a basic task of any communication department.

Communication Value Circle



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3 **Ensuring flexibility:** being flexible as a corporation means having relationships that are based on trust or, at the very least, are based on a perception of legitimacy of the corporation's values and actions. Communication can build stakeholder networks, which ensure room for maneuver, especially in times of change and crisis. If the license to operate is questioned by relevant stakeholders, every other value dimension will be affected negatively.

4 **Adjusting strategy:** communication supports the strategic positioning by fostering thought leadership, identifying and communicating innovation potential, and building up crisis resilience. This value dimension is based first and foremost on the communication department's capacity to listen. Systematically monitoring public opinion in the mass media, social media, markets, politics and society helps to adapt strategies to upcoming socio-political and economic developments. Thus, corporate communications contribute to identifying competitive advantages.

Measuring communication value in the 12 dimensions

Business logic requires communication executives to prove how communications have contributed to annual business targets. Demonstrating the value contribution of communication is certainly somewhat more challenging for communications than for other departments. The value of communication is difficult to express in financial terms. It requires multi-indexed approaches and non-financial measures. Numerous established sets of key performance indicators (KPIs), measurement tools and evaluation methods exist and should be integrated (Stacks, 2017; Watson & Noble, 2014). Some of the established KPIs are proprietary and based on methods provided by media analytics or research companies. This requires the organization to adapt to the specific goals established through the Communication Value Circle or by other means.

Overall, the best approach is always to build up a measurement approach from scratch by starting with identifying business goals, defining communication targets, establishing KPIs, identifying suitable research methods and evaluation techniques, and selecting the latter from the broad range of techniques and services available in the field. In this way, all communication goals in the Communication Value Circle can be measured to show the value-add of communication to value creation. In the following, we provide a brief explanation of all 12 communication dimensions and present a selection of possible KPIs.

PUBLICITY

Publicity emphasizes the importance of visibility for any organization. Media publicity facilitates the process through which key stakeholders learn about the organization's products, services and unique characteristics e.g. as employers. Some organizations might also be interested in staying away from public debates, and so avoiding publicity can be a goal for communications as well.

- *KPIs: e.g. media reach, media resonance, (un)aided awareness, page impressions, conversion rate, unique visitors, visits, likes, shares, followers, tonality, share of voice, message recall, recognition.*
- *Research tools and methods: e.g. public opinion polls, media content analyses, social media analyses, big data analyses.*

CUSTOMER PREFERENCES

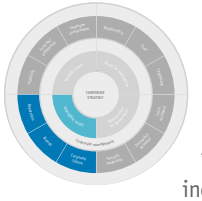
Customer preferences include attitudes or opinions towards a product, service, brand or company held by (prospective) customers. Preference is often based on previous experiences. High customer satisfaction typically leads to customer loyalty and product repurchase. Satisfied customers are also more likely to recommend products to their peers and influence their preferences.

- *KPIs: e.g. customer satisfaction, customer loyalty, customer expectations, word of mouth, cross-buying intention, net promoter score, intention to buy, virality of social media messages.*
- *Research tools and methods: e.g. customer surveys (e.g. Customer Satisfaction Index, Customer Lifetime Value), recall and recognition tests, experiments.*

EMPLOYEE COMMITMENT

Employee commitment is the attitude of employees towards their employer. Typically, employees with high commitment identify themselves strongly with the goals, values, and norms of an organization. Strong commitment relates to increased satisfaction, engagement and motivation, as well as more efficient internal processes and lower employee turnover rates.

- *KPIs: e.g. readiness for change, employee commitment, employee motivation, employee satisfaction, engagement with the company, employee turnover rate, employee loyalty, employee trust, knowledge of the company's values, advocacy of the organization, emotion towards the company, identification with the organization.*
- *Research tools and methods: e.g. employee surveys (e.g. TNS Employee Engagement survey, Communication Satisfaction Questionnaire), focus groups.*



REPUTATION

Reputation is a generalized collective perception of an organization of multiple stakeholders, including consumers, employees, investors, and other groups that are critical for corporate success. As such, reputation is formed externally and is based on subjective impressions and expectations about the organization's future behavior. The corporate image in contrast is more based on a temporary, often intuitive assessment, while reputation is more enduring. Reputation can have a positive impact on overall financial performance or purchase intentions of potential customers and serve as a buffering shield in crises. Media reputation, on the other hand, is the reputation of a company reported in the mass media or on social media. This is only an indicator of the reputation among key stakeholders as there are many other ways of shaping impressions and expectations about an organization, e.g. word of mouth, personal experiences, etc.

- *KPIs: e.g. reputational capital, admiration of the organization, emotional appeal of the organization, perceived quality of the company's products and services, perception of the company's financial soundness, perceived quality of the company's management, perception of the company's social responsibility.*

- *Research tools and methods: e.g. reputation analyses (e.g. Global Pulse Score, Corporate Reputation Monitor), reputation rankings (e.g. AMAC Index), media reputation analyses (e.g Media Reputation Index), stakeholder surveys, focus groups.*

BRANDS

Brands are mental pictures of an organization or their products/services held by its stakeholders. They serve different purposes such as identification and differentiation. Brands are valuable immaterial assets and help companies to distinguish themselves from their competitors. Brands engender trust in the consumer, which typically results in brand loyalty and brand preference. Strong brands can command a higher price, boost sales and market share.

- *KPIs: e.g. brand equity, brand image, brand recall, brand preference, brand advocacy, brand mentions, brand identification.*

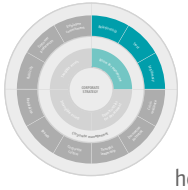
- *Research tools and methods: e.g. advertising impact analysis, brand analyses (e.g. Brand Potential Index, Brand Scorecard, Brand Asset Valuator, Brand Championship, Brand Potential Analysis, Brand Performancer, Interbrand Brand Valuation), focus groups, experiments.*

CORPORATE CULTURE

Corporate culture is a collection of key values, symbols, meanings, beliefs, assumptions and expectations that organizational members share. Culture is how things get done and how employees feel about the company. It is created, sustained and changed by all members of the organization and may be split into subcultures. A strong corporate culture is typically related to higher productivity, lower employee turnover rates, and higher attractiveness for potential employees.

- *KPIs: e.g. communication culture, change culture, culture of constructive criticism, teamwork and collaboration culture, feedback culture, employee awareness of corporate strategy, employee support for the corporate mission, vision and values, employee agility, employee feeling of empowerment, company attractiveness among needed talent groups.*

- *Research tools and methods: e.g. employee surveys, focus groups.*



RELATIONSHIPS

Relationships are the state or ties that exist between an organization and its key stakeholders and are intricately interwoven with dimensions such as trust or satisfaction. Beneficial relationships with investors, journalists, employees and critical stakeholders may serve as a buffering shield in crisis situations and safeguard the organization's room for action. High quality relationships with customers are a key success factor, often managed via Customer Relationship Management systems.

- *KPIs: e.g. stakeholder attitudes toward the values of the company, stakeholder satisfaction with information provision, stakeholder perception of control mutuality, stakeholder commitment, stakeholder trust, network quality, customer relationship quality, relationship capital, social capital.*

- *Research tools and methods: e.g. focus groups, relationship analysis, (social) network analysis, stakeholder touch points analysis, journalist survey (e.g. Organization-Public Relationship Quality measure).*

HOW BEST TO APPLY THE COMMUNICATION VALUE CIRCLE

INSIGHTS FROM PRACTICE

Our case studies across German organizations have confirmed that the Communication Value Circle (CVC) can be used as an analytical tool in practice. It helps to identify and structure communication goals and align communication targets with the overarching corporate strategy. The CVC also provides a useful tool for testing existing communication strategies. By analyzing gaps between corporate and communication goals, communicators can detect misalignments and refocus their activities. The CVC can also be used to match all communication goals with performance indicators. This helps to reflect on existing measurement activities. They can be integrated into a consistent performance management system focused on communication and business objectives alike. Key findings of our qualitative interviews with Chief Communication Officers are:

- Not every single goal is as relevant for each communication department or situation. For example, communication goals such as employee commitment or corporate culture become more relevant during restructuring, while trust and legitimacy are critical goals during a corporate crisis.
- Reputation is often considered the most important goal for communications – but linking the success of communication to the company's reputation only is risky due to the fact that reputation is not only driven by communication.
- Communication leaders often underestimate relationship building and crisis prevention as goals. Measurement methods and key performance indicators exist for those fields as well. They should be integrated in order to document how communication reduces costs and contributes to corporate success indirectly.
- Innovations are a central aspect in most business strategies. Yet promoting innovations and establishing thought leadership are seldom mentioned as communication goals. Concepts to define targets and measure results in these fields are missing. The same is true for the field of corporate listening, e.g. for monitoring megatrends. This helps to adapt corporate strategies to external challenges.

TRUST

Trust is the level of confidence in the organization's ability to do what it says it will do and that it will act consistently and dependably. Trust is closely related to credibility and integrity. Future employees have to trust that an organization will treat them fairly. Customers who buy products or services with key importance for their own businesses (e.g. machinery or software in business-to-business markets) have to trust that the seller will offer continuing service and updates according to unknown future standards. Trust replaces control in an unstable world and is important for future-oriented decisions.

- *KPIs: e.g. credibility, transparency, trustworthiness, authenticity, integrity, competence, dependability, belief in the organization's promises, perception as a fair organization, confidence in the organization's concern for people and employees, level of forgiveness in a crisis, stakeholder emotions towards the company.*
- *Research tools and methods: e.g. credibility analyses, public opinion polls, stakeholder analyses, media trust analyses (e.g. Corporate Trust Index).*

LEGITIMACY

Legitimacy relates to the long-term ability of organizations to act in a manner that is consistent with socially accepted norms, values, commonly held beliefs and stakeholder expectations. Organizations that are perceived as legitimate safeguard their license to operate. Their ability to survive critical situations is increased. While reputation emphasizes the differences to other organizations, legitimacy emphasizes the attempt of organizations to resemble societal norms and similarities with other organizations.

- *KPIs: e.g. perceived appropriateness of corporate actions, support from key stakeholders such as owners and governing bodies, confidence in the organization's responsibility for society or the environment, acceptance quotient.*
- *Research tools and methods: e.g. public opinion polls, stakeholder analyses, social media analyses.*

THOUGHT LEADERSHIP

Thought leadership is the practice of positioning the organization as an opinion leader of new, compelling and innovative ideas in a community of interest. Thought leaders provide new information, analysis and insights that help

others to make sense of today's complex world and better understand the future. Thought leadership helps organizations to raise awareness, increase the status of their brand or reputation, and recognition by other influential opinion leaders such as political or regulatory institutions.

- *KPIs: e.g. share of voice, citations or downloads of white papers/studies, backlinks or quotations of voiced 'thoughts', participation in thought leader think tanks or groups; visibility on relevant platforms such as conferences or blogs, endorsement by multipliers.*

- *Research tools and methods: e.g. trends analyses, opinion leader analyses, network analyses, media and social media monitoring.*

INNOVATION POTENTIAL

Innovation potential is the ability to identify opportunities for new products and services and understand trends and ideas. These insights can be used in a strategic manner to initiate or support innovative business models and functional strategies. Innovation potential can be fostered by a communication culture that promotes creativity and openness among employees and is capable of coping with constant change. Communications can also support innovation potential by identifying and attracting external partners, e.g. in open innovation processes.

- *KPIs: e.g. staff engagement in innovation processes, an innovation-friendly corporate culture, strategic readiness of employees, employee familiarity with innovation goals, leadership willingness to innovate, employee willingness to participate in team rotations, use of innovation communication platforms, employee willingness to think outside of the box, positioning of innovative ideas in specialist media and platforms, response to open innovation activities.*

- *Research tools and methods: e.g. employee surveys, social media and media analyses.*

CRISIS RESILIENCE

Crisis resilience is the ability to identify and monitor emergent critical issues, which may threaten an organization's people, assets or reputation, and utilize these insights systematically for crisis anticipation and prevention. Issues management and integrated monitoring or listening systems help to identify issues at an early stage, whereas crisis management plans enable to respond quickly and effectively to any incident.

- *KPIs: e.g. emergent issues identified, employee awareness of crisis plans, responsibilities and guidelines, employee willingness to take risks, crisis readiness and responsiveness of leaders, number of crisis trainings performed by employees, costs of successful mitigated crises.*

- *Research tools and methods: e.g. issues analyses, sentiment analyses, social media analyses, media content analyses.*

Sources: Bentele et al., 2009; DPRG/ICV, 2011; Einwiller, 2014; Frandsen & Johansen, 2011; Gandomi & Haider, 2015; Heide & Simonsson, 2014; Homburg, 2012; Hon & Grunig, 1999; Liehr et al., 2010; Macnamara, 2014; Mazzei et al., 2012; Meng & Pan, 2012; Menninger, 2010; Möller et al., 2009; Pfannenberg & Zerfaß, 2010; Rolke & Sass, 2016; Schwaiger, 2004; Schwalbach, 2015; Stieglitz et al., 2014.

At a glance

- Explaining and reporting the impact of communication in the language of top managers remains a key challenge. A consistent and integrative understanding of how communication adds value to the organization is still missing – both in corporate practice and in communication and management research.

- The Communication Value Circle provides a new framework to help communication professionals explain the value of communication more effectively. It illustrates four generic corporate goals (inner circle) and twelve major communication goals (outer circle).

- In order to prove the value-add of communication to value creation, each communication goal in the Communication Value Circle can be measured using established key performance indicators (KPIs) and research methods.

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HOW CAN COMMUNICATION BE ALIGNED WITH CORPORATE STRATEGY?

A CLOSER LOOK AT THE PROCESS OF STRATEGIC ALIGNMENT AND ITS SUCCESS FACTORS

Excellent communication departments are characterized by a close alignment of communication targets and business goals. However, several studies reveal that linking communication strategy to overall organizational goals remains an ongoing and unsolved challenge for the profession worldwide. In spite of the frequently claimed necessity of a fully aligned communication strategy as a precondition for value creating communication, there are no commonly used tools, practices, or guidelines to ensure alignment. Our research has explored the alignment process and identified common pitfalls and possible solutions.

A glance into research

Alignment is not a new concept in academic literature. Since the concept first emerged in the late 1970s the focus of research has tended to be within the context of linking Information Technology (IT) and business goals in the late 1970s (Avison et al., 2004; Venkatraman & Camillus, 1984). In management literature, alignment is generally described as the 'link' or 'fit' between key organizational components such as strategy, culture, processes, people, leadership and IT systems that are brought together for the purpose of achieving common goals. It is widely agreed that alignment has a positive influence on corporate performance. However, measuring alignment success and its impact on performance still remains an important challenge in management research (Alagaraja et al., 2015; Porter, 1996).

In strategic communication literature, alignment has also received numerous mentions. Much of the research has discussed the importance of aligning image, vision, messages, corporate brands and organizational culture in the context of integrating all communication activities (e.g. Invernizzi & Romenti, 2015; Torp, 2015). The term has also been used in the context of aligning communication with organizational strategy. However, the concept of strategic alignment has mostly received implicit attention by researchers. It remains quite fuzzy to date. Conceptual research and empirical studies are rare, leaving many question marks about how alignment can be created and measured in practice.

Internal and external alignment

A distinction between internal and external alignment brings greater clarity to the concept of alignment. Internal alignment refers to aligning all internal processes, structures, systems and employees towards a common goal. Organizations aim to create a fit between corporate values, corporate culture, organizational identity and corporate strategy to ensure consistency and coherence. Inconsistencies between a company's strategy and culture usually leads to confusion among employees and means that a company does not practice what it preaches. Creating internal alignment of employee attitudes and behaviors with corporate values contributes to efficient internal workflows and successful collaboration within the organization.
External alignment refers to aligning the corporation with its external environment and the multifaceted beliefs and values articulated by

different stakeholder groups. The most carefully crafted strategy will fail if it is not aligned with what stakeholders expect from the company. Hence, creating external alignment is an important precondition for gaining stakeholder support. Misalignment, in contrast, usually results in lower acceptance levels and reduced legitimacy. In today's dynamic and rapidly changing environments, corporations need a high level of flexibility and adaptability to ensure alignment with environmental demands (Alagaraja et al., 2015; Hatch & Schultz, 2001; Riel, 2012).

Benefits of strategic alignment

Strategic alignment of communications is a key prerequisite for contributing to value creation in the most efficient and effective way. Beneficial impacts on corporate success include:

- Enhancing strategic positioning through an ongoing revision of the corporate strategy and continuous alignment with changing stakeholder expectations.
- Identifying competitive advantages by detecting new trends in the external environment and providing critical input for corporate adjustment.
- Improving the corporation's trustworthiness and credibility among stakeholders, by providing communication activities and messages that are aligned to their expectations. This may foster beneficial relationships and improve corporate reputation.
- Increasing internal efficiency and reducing costs due to a greater commitment of employees, if their attitudes and behaviors are aligned with corporate goals and culture.

(Hatch & Schultz, 2001; Kaplan & Norton, 2006; Riel, 2012)

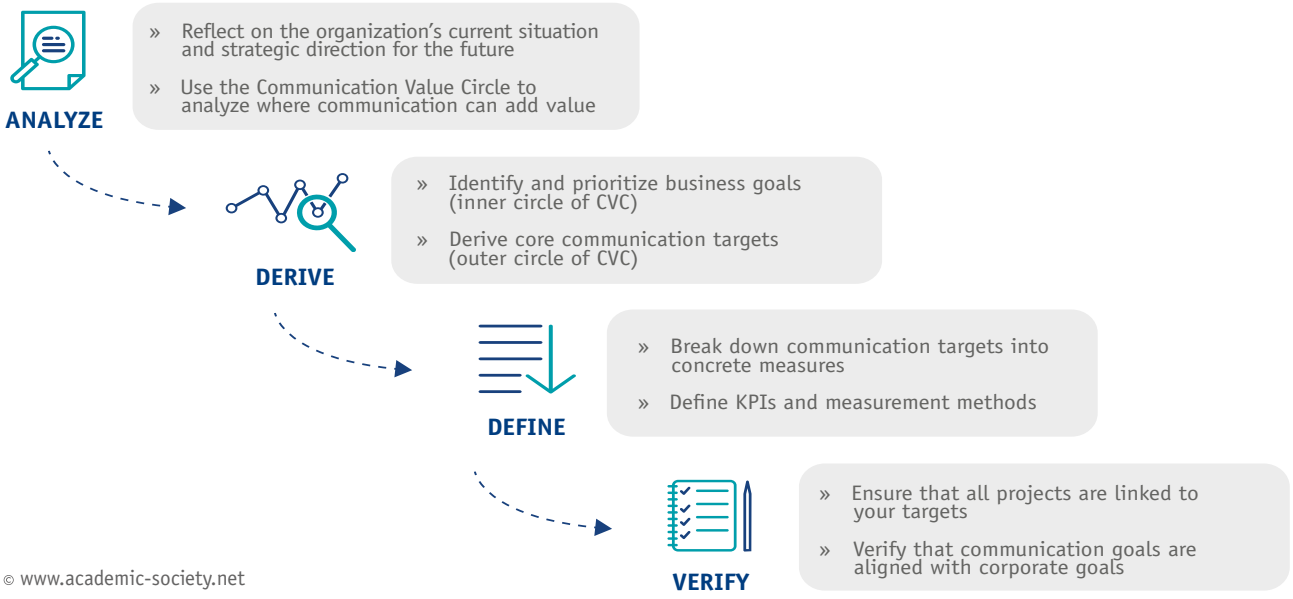
How can communication be linked to corporate strategy?

Our qualitative research across ten global corporations shows that communication departments are indeed still struggling with the strategic alignment of communications. In fact, alignment is always corporate-specific and also depends on various organizational factors such as size, hierarchies, corporate culture as well as accessibility to managerial decisions. Perhaps that is why common tools and procedures are rare and why so many companies get it wrong. Our findings clearly highlight that there is not a one-and-only way, but there are many successful approaches.

The Alignment Process developed within this research project visualizes an ideal process of linking communication targets to overarching corporate goals. The figure shows that strategic alignment must start with analyzing business goals and deriving communication targets systematically. From the outset, communicators should therefore reflect upon the starting situation of the corporation and the communication department, i.e. where are we now and where do we want to head to.

The Communication Value Circle (p. 23-27) provides a useful framework for detecting misalignments between corporate strategy and an existing strategy and follows the process outlined here. It can also be used for developing a new communication strategy.

The Alignment Process as a roadmap for linking communication goals to business goals



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Corporate strategy as point of reference

A concise corporate strategy statement and clear business goals are required for aligning communications. In the best case, communicators have access to strategy documents and are involved in strategy formulation processes. However, most communication departments face a number of obstacles:

- **Non-transparent corporate goals:** in some cases, there is a gap between rhetoric and reality. Officially communicated goals do not reflect the real priorities of top management. Strategic goals sometimes also only exist at the level of business units, not at the corporate level. This makes it difficult to define overarching communication targets that are aligned with the corporate strategy.

- **Limited access to strategy process:** communicators are frequently not involved in the core strategy process of the organization – even if they are part of the top management team or reporting to the CEO. They might find it hard to access relevant information from the board or strategy department. In this situation, a bottom-up alignment approach could be a starting point for getting a clearer idea about the current positioning of the organization.

- **Ongoing strategy changes:** a fixed corporate strategy might be absent due to constant restructuring and change processes. Communication departments can rely on agile methods and emergent strategies to ensure the dynamic alignment of communication targets with changing business goals.

Choosing the right alignment procedure

Our research has revealed that a successful alignment process depends on corporate-specific characteristics, structures, and the unique corporate culture. Communicators therefore need to develop specific solutions for creating strategic alignment.

- **Top-down vs. bottom-up:** most organizations use the classical top-down approach, deriving communication targets from corporate goals, as visualized in The Alignment Process. In contrast, the bottom-up approach seeks input from employees and external stakeholders with the goal of integrating their expectations into the communication strategy formulation process.

- **Formal vs. informal:** alignment can be achieved through formalized processes, structures and instruments, through negotiations during annual strategy meetings with the CEO and other board members as well as strategy workshops with communication executives. In contrast, it can also take place in informal meetings and during personal negotiations with the CEO or the executives of relevant business units. Informal settings may facilitate the collaborative development of evolutionary goals and strategies.

- **Centralized vs. decentralized:** in the centralized approach, the corporate headquarter is usually responsible for defining the corporate strategy as well as coordinating the alignment of the entire organization. Strategic goals are typically cascaded down to business units, departments, leaders and employees. Decentralized means the alignment process is carried out more independently by the business units and regional offices.

Beware of possible pitfalls

Although strategic alignment is corporate specific and there is no single solution, our research suggests that there are some common pitfalls:

- **Wrong reference point:** we have seen communication departments that use communication processes as the starting point for alignment, instead of business goals. Choosing the wrong starting point may result in communication goals that cannot be linked to overall business goals.

- **A lack of visualization:** many companies underestimate the importance of visualizing their communication goals in the same manner as corporate goals (e.g. in structured lists, pyramids, pillars, diamonds). Communicators should be able to illustrate strategic alignment not only in the language of management, but also in in its visual representation.

- **Non-dynamic alignment:** a very rigid, linear alignment of communications to corporate strategy can also have a negative impact. Tight and inflexible adherence to corporate strategy may result in a lack of reflexivity or the potential avoidance and misrecognition of problems. This in turn may delay the communication department's ability to respond rapidly to changing environments.

ⓘ At a glance

- Alignment of communication with corporate strategy is an important precondition for contributing to corporate value creation. However, there is still a lack of conceptual research and empirical studies on how to create strategic alignment in practice.

- Alignment is corporate specific, so there is no one solution that fits all. The Communication Value Circle (CVC) is a useful tool for reflecting on the strategic alignment of an existing communication strategy or in the development of a new one.

- Strategic alignment must start with business goals and derive communication targets systematically. The Alignment Process offers a visualization of the necessary steps for the process of linking communication targets to overarching corporate goals. Aligning communications requires agglomerated managerial skill and will.

FURTHER READINGS

Riel, C. B. M. van (2012).
The alignment factor. Leveraging the power of total stakeholder support. New York, NY: Routledge.

DYNAMIC ENVIRONMENTS REQUIRE EMERGENT STRATEGIES

Strategies have been traditionally understood as planned, linear and rational actions, starting with the 'where are we now?' question and then developing new strategies for the future. The idea of achieving strategic goals by careful planning is deeply ingrained in management and strategic communication literature. Yet, in today's constantly changing and unpredictable world, strategies are often not implemented as planned and instead require multifold adjustments. This is why management and strategic communication research have parted from the traditional view towards emergent processes, i.e. towards a more dynamic, process-driven perspective on strategies. Emergent strategies, which were first mentioned by Mintzberg in 1987, are not directed towards a clear final objective. Instead, elements continuously develop and intertwine as strategy definition and implementation proceed.

Communications support emergent strategy processes

The emergent understanding implies that strategies evolve dynamically and collaboratively through dialogue and interaction with organizational members and key stakeholders of the organization. Communication departments facilitate this process by involving employees in strategy processes and setting up stakeholder dialogues with external stakeholders. Furthermore, communication departments often use environmental scanning or issues monitoring to stay ahead of new trends, interpret emerging issues and to anticipate negative shifts in public opinion. By incorporating these trends and changing expectations of stakeholders in the strategy-building process, the communication unit plays a key role in achieving alignment with the environment.

Merging emergent and planned approaches

Communication executives can benefit from an emergent approach to corporate strategy. Since there is no final or fixed objective, it allows them to be more experimental and undertake a process of trial and error when devising a successful communication strategy. This includes negotiating different strategic options with top management, co-creating strategies with employees, breaking new ground and learning by doing as well as constantly reflecting and adjusting existing communication targets.

However, because emergent strategies do not provide enough guidance, they clearly pose a critical challenge for the alignment of communication targets with overarching business goals. Neither linear nor emergent strategies offer an optimal solution in complex business worlds with predominantly fixed-date and fixed-scope projects. Instead, a synergy of both views promises to offer a practically feasible solution: maintaining high flexibility and adaptability, while navigating towards a fixed strategic direction, which is constantly under reality check.

New methodologies such as agile planning with methods like the Reflective Communication Scrum (Ruler, 2014) offer innovative solutions. They allow for the planning of communications under unpredictable conditions. Instead of prescribing strict rules and pre-designed plans, scrum helps to focus on some generalized objectives, set up iterative plans and smart priorities, adapt to change, and still remain accountable with regards to staffing, budgeting and performance evaluations.

(King, 2010; Mintzberg, 1987; Seidl, 2007; Taylor & Every, 2000)

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Ruler, B. van (2014). Reflective Communication Scrum. Recipe for accountability. The Hague: Eleven International Publishing.

» In highly dynamic environments, agile methods work better for communications than static plans with predefinedresults and tactics. «

Betteke van Ruler

A PRECONDITION FOR STRATEGIC ALIGNMENT: COMMUNICATING CORPORATE STRATEGY

Business leaders tend to complain that even if a strategy is well planned, it is often not well executed. Studies exploring the strategic awareness of employees reveal that they far too often do not know or understand the company's strategy. Even executives are often not able to articulate the objective, scope and advantage of their business strategy in clear words (Collis & Rukstad, 2008).

One reason for this could be that companies fail to communicate their strategy across the organization in an appropriate manner. They tend to use words that are too abstract or too vague. Therefore, professional communication is needed to make all employees and executives understand the strategy. Raising their awareness and engagement is a critical precondition for embedding a new strategy in corporate culture. This in turn is necessary for successful strategy execution.

INTERVIEW: A BEHIND THE SCENES LOOK AT STRATEGIC ALIGNMENT

HOW ORGANIZATIONS SET UP THEIR COMMUNICATION STRATEGY

Our case studies into global organizations show that companies tend to develop their own solutions for defining an aligned communication strategy. There is no single perfect tool. Instead, we have seen many successful approaches that fit the specific needs of each company. We have asked the communication executives of thyssenkrupp and GIZ to share their insights and learnings. Both companies have developed outstanding solutions to create strategic alignment.

thyssenkrupp: Supporting transformation processes

thyssenkrupp has been leader in technology for over 200 years. Today, the company employs more than 155,000 people in 78 countries and specializes in components technology, elevator technology, industrial solutions, material services and steel. Over the last five years, thyssenkrupp has undergone possibly its most fundamental transformation to date. In 2011 the company launched its program Strategic Way Forward which sought to improve the company's performance. Needless to say, communications played a key role in successfully implementing it. Alexander Wilke, Head of Communications, provides insights into how communications strategically supported the transformation.

Mr. Wilke, how do you ensure that the targets of the Communication function are aligned with business targets?

We derive the goals for our global Communication function based on our annual business goals and discuss and align them in a personal meeting with our CEO Heinrich Hiesinger. We then cascade these goals down to our communications leadership team in the business areas, the regions and here on the corporate level. The leadership team then further breaks down the communication goals into concrete targets for each team and team member and into specific communication measures for the year. By doing this, all communications colleagues know how they can personally contribute to our department's overall objectives for the year. Last year, our overarching targets included strengthening our corporate culture, improving communication efficiency, revising our content management strategy and implementing our new brand.

What are the key success factors for your work?

Bottom-up participation and engagement of our employees is key for everything we do. The development of the new thyssenkrupp brand is a good example of that. It is the outcome of a comprehensive two-year project, where we teamed up with many colleagues from the Business Areas, regions and functions to create a new, credible brand identity. As part of the process, we interviewed more than 6,000 people, including customers, employees, investors and applicants on what thyssenkrupp stands for. This participatory approach created a strong content-driven basis for the brand – it was more about our new brand promise and what we stand for rather than a new logo. Our credible approach means that we did not have a big external communication campaign and got rid of all old logos immediately, but instead used natural replacement cycles for branding (e.g. new business cards when old ones are used up), focused on internal communication measures to help our employees understand and represent the brand. Additionally, we used existing external communication touchpoints to promote the brand, e.g. our Annual General Meeting.

How do you engage with your communications team?

thyssenkrupp's communications community consists of roughly 300 colleagues worldwide. Orchestrating the entire team is a critical management task. How do we do it? We regularly exchange ideas in the COM leadership team and meet for three offsites every year to discuss current topics and work on developing the COM function. In addition, the entire COM community meets once a year in our headquarters in Essen, Germany, for the so-called 'COM Day' to align everyone behind our goals, jointly work on topics and – most importantly – build the network. Our daily work is organized in functional communities. Over time we managed to establish a strong global network which secures consistent messaging both internal and external.

In today's changing communication environment, it's however not only essential that all our communicators tell a consistent and clear story. One major challenge is to enable all 155,000 employees worldwide to have a common understanding of thyssenkrupp's strategy and our promise to our customers and shareholders. To ensure this, our 2,600 global leaders are key. Therefore we engage with our leaders annually and visit them with the entire Board in the annual Regional Forums. The Regional Forums are leadership events which ensure that our leaders know and understand our strategy. And enabling the Board to interact directly with the leaders worldwide proved to be a key success factor for the transformation.

Looking at your strategic planning processes, what works well and where do you see room for improvement?

We have a clear process on how to derive the COM targets for thyssenkrupp overall and how to cascade these targets down and steer the global COM function. Nonetheless, we are flexible and agile to react and adapt when needed. We also have a good overview of our global communication budget. Where we want to further improve is our agenda setting capabilities by strengthening our social listening, further developping our analytics and an even more forceful KPI steering.

Thanks for the interview!

***Alexander Wilke** has been Global Head of Communications of thyssenkrupp, headquartered in Essen, Germany, since 2011. Prior to joining the company in 2004, he worked as a communication manager in the Office of the German Federal President as well as for the German Armed Forces (Bundeswehr). Wilke holds a master degree in political sciences from the Helmut-Schmidt-University in Hamburg, Germany.*

thyssenkrupp

GIZ: Applying a strategic objective framework

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is a public-benefit federal enterprise and supports the German Government in achieving its international objectives for sustainable development. Nearly 20,000 employees operate in around 130 countries in a wide variety of areas, including economic development and employment, energy and environment as well as peace and security. The communications team is headed by Dr. Sabine Tonscheidt. Kerstin Rapp, Head of Communication Strategy, and her colleague Susanne Thobe, ensure that the communication strategy is closely aligned to the overall strategy and supports the organization to achieve its goals.

Ms. Rapp, how are communications and corporate strategy aligned at GIZ?

In 2009, the Corporate Communications Unit designed a process to establish a strong link between communications and strategy. This consists of a strategic objective framework that uses GIZ's longer-term and annual corporate objectives as the basis for drawing up annual objectives for Corporate Communications. These define how communications add value to GIZ's corporate success. Measures are set for the current year, broken down according to different stakeholders, which are identified and prioritized in the Corporate Communications Stakeholder Map. To manage communication activities, key performance indicators are defined and measured using various methods, e.g. surveys, counts and analyses of media resonance and content. Twice a year, the Management Report informs senior management about the results and the contribution that strategically oriented communication activities are making to the success of the company.

What challenges have you faced while implementing this process?

Setting up a system for managing communications is a challenge, but one which is worth tackling. Initially, there were a few skeptical comments: »We are already communicating successfully – why should we change anything?« or »This seems complicated and will create more work. So what's the benefit?« It is vital to answer these questions properly, to promote understanding and to get the commitment of all employees – not only at the beginning when implementing the process, but also time and time again to renew understanding, enthusiasm and motivation for the topic. We believe that communication management needs to be strategically oriented if it is to have the maximum effect and add real value for the company. And it is a pleasure to see that we were one of the frontrunners with this systematic and strategic approach.

How do you keep your communications team informed and involved?

The Corporate Communications team is involved in the communication management process on an ongoing basis. From the start, managers and employees participated in the development process to share their views and requirements. This approach guaranteed that the steering

***Kerstin Rapp** has been Head of Communication Strategy at GIZ since 2014. Prior to working for GIZ she was responsible for the marketing of Deutsche Bank's Private Wealth Management and had held different marketing, communication and administrative positions in the private sector and in agencies. She holds a degree in Political Sciences, History and English from the University of Tübingen, Germany (London and Hamburg).*

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tool matched the needs of the Corporate Unit and was geared to practical application. During the annual strategy process, the Corporate Communications management team sets the annual objectives. In a planning workshop, each unit derives priority measures for the coming year. Staff members in each unit are responsible for key performance indicators and evaluate the measures continuously throughout the year. Recommended actions are shared.

As communications work is decentralized at GIZ, communicators in other departments, country offices or projects abroad are part of the relevant country or project team. The Corporate Communications team provides support through various services such as guidelines, webinars and training, enabling communicators to familiarize themselves with Corporate Communication strategy and learn how to set up such processes themselves.

Where do you see room for further improvement? What are your goals for the future?

We are currently revising our Management Report: we are looking for a good balance between reporting evaluation results, monitoring issues and providing information on our activities and trends. We are also checking how our internal review processes can be optimized in order to make even better use of communication management as a steering tool. But one thing's certain: these won't be the last improvements we make. The way we see things, communication management needs to be lively and flexible, and must always fit the needs of the company – and they, of course, are changing, too.

Thanks for sharing these insights!

Corporate Communications strategic objectives framework

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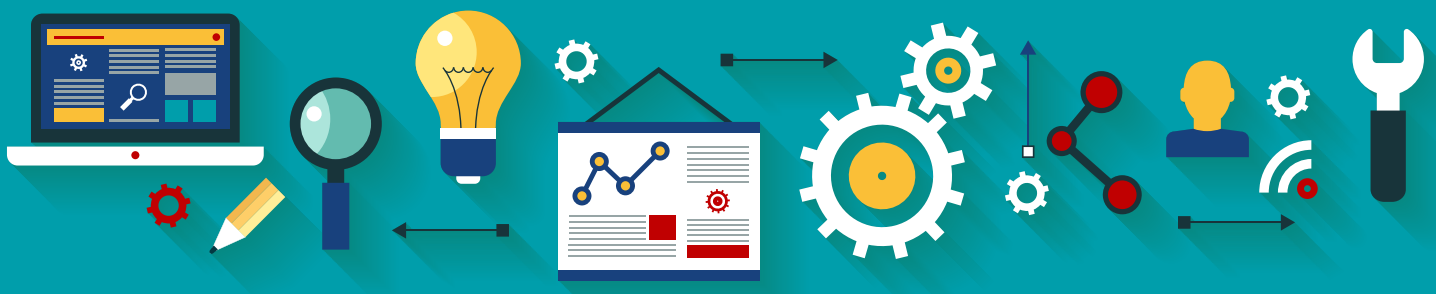
	VISION			
Corporate objectives	OBJECTIVE 1	OBJECTIVE 2	OBJECTIVE 3	OBJECTIVE 4
Contribution made by Corporate Communications	Which corporate objectives are supported by achieving our goals in Corporate Communications?			
Stakeholders	In order to achieve goals, with whom do we communicate?			
Goals refering to the perception of GIZ	Which changes in behavior and attitude of our stakeholders do we want to achieve?			
Performance goals	Which performance goals can be derived for internal communications and media and public relations?			
Measures	Which communication measures do we apply focused on goals and stakeholders?			



HOW CAN COMMUNICATIONS BE MANAGED AND STEERED?

A NEW TOOLBOX COMPILES KEY MANAGEMENT TOOLS FOR COMMUNICATIONS

Effectiveness and efficiency are keys for success in the corporate world. Management science and consultants have developed many tools, concepts and models specifically dedicated to improving the management of business processes and workflows. Whereas many corporate units have integrated those tools into their daily routines, communication managers often struggle with applying management tools to their field.

In business language, the term 'tool' is a frequently used buzzword with different meanings. It includes the broad range of instruments, concepts, models, systems, devices, software applications, calculating solutions and methodologies used by corporations. Managers can choose from more than 100 popular management tools to optimize processes and routines, secure business performance and gain competitive advantage. Tools can be classified according to their specific purpose as well as to the different aspects of management (Northouse, 2010; Schawel & Billing, 2014; Steinmann, Schreyögg & Koch, 2013):

Tools for different aspects of management

- Analysis tools help to analyze changing markets and environments, provide evidence-based foundations for decision-making, point out different strategies of action, forecast trends and innovation opportunities.

- Planning tools help to set up organizational departments, define a departmental strategy and derive specific goals, make staffing and budgeting decisions, develop time schedules and project management goals.

- Execution tools help to implement programs and ensure that plans are in place, steer and lead teams and orchestrate co-workers, guide processes and workflows.

- Evaluation and control tools help to monitor and evaluate the execution of operations, identify improvement needs and adjust activities accordingly.

Application of tools in communication departments

The application of management tools in communications is rare. A number of established business tools can be used for managing corporate communications. However, according to our research, they are seldom applied in practice. Companies perform well in executing communication activities, but they invest little time and money into analyzing, planning and evaluating the success of communications. Most communication departments rely on tools such as stakeholder mapping or media and social media analytics. Advanced analytical tools such as benchmarking, competitive intelligence and scenario techniques are seldom applied. Some communication departments still make decisions based on gut feeling or previous experiences, rather than carefully considering alternative strategic options.

For planning and executing, communication departments often utilize campaign plans based on SWOT analyses and messaging plans. They also develop handbooks for crisis communication or guidelines for social media. By contrast, the implementation of communication scorecards to plan the execution of communication activities remains low, just like the rare use of sophisticated controlling tools for optimizing process efficiency or internal workflows. In fact, evaluating and reporting communication impact is still predominantly done at the technical level, in a narrative and informal manner. Here, most communication departments report output-centered data such as media reach, website traffic or event attendance.

TOP 10 MANAGEMENT TOOLS

According to the recent Management Tools and Trends Survey by Bain & Company (Rigby & Bilodeau, 2015), the top ten most often used management tools across the globe include:

1. Customer Relationship Management
2. Benchmarking
3. Employee Engagement Surveys
4. Strategic Planning
5. Outsourcing
6. Balanced Scorecard
7. Mission and Vision Statement
8. Supply Chain Management
9. Change Management Programs
10. Customer Segmentation

The survey revealed a global trend towards using fewer tools, with larger companies typically applying a greater set of tools than midsize or smaller companies. Of course, every tool has its strengths and weaknesses and might not be useful for every situation or industry. Corporations therefore need to carefully decide which tools to select, and managers in turn have to understand how to use and adopt them. There are numerous proprietary tools that require implementation through consultants, whereas others can easily be adapted by organizations themselves.

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Communication tools

In everyday communication management, 'tool' is a general term widely used when speaking about communication platforms or channels such as blogs or social media, communication activities such as media campaigns or press releases, specific approaches such as framing or storytelling or about particular research tools such as media content analyses or web analytics. Therefore a clear distinction is necessary. In our understanding, communication tools are used for the purpose of steering and organizing corporate communications along the traditional management phases of analysis, planning, executing, and evaluating. Following this, they should not be confused with communication activities, formats, instruments, campaigns or channels.

Tools every communicator should know

If communicators want to be perceived as professional managers in their organizations, they need to know about important popular management tools. And they need to know which tools are appropriate for their own work. The key challenge is to adapt generic tools to the demands of communications and the specific organization. Our newly developed Toolbox for Strategic Communication Management provides a comprehensive overview of established management tools as well as communication tools for analyzing, planning, executing, and evaluating communications. The following selection describes some of the most important tools.

Analysis Tools

- **Benchmarking** is used to analyze and compare how other organizations perform and use this information as a point of reference to determine how to become more competitive. Benchmarking relies on key metrics to compare the quality of services, programs, processes, strategies, etc. of similar organizations. The data can be utilized to improve a company's performance without having to reinvent the wheel. The idea is to learn from best practices at other companies.

- **Stakeholder analysis** is used to identify a company's stakeholders and analyze their power, influence and interest. Based on the analysis, stakeholders are usually mapped according to their importance and predicted response or behavior. Stakeholder maps help to target communication activities towards specific stakeholders and to define tailored messages or channels.

- **Scenario technique** is used to think up different possible future scenarios in an effort to prepare the company for the future. The scenario technique uses existing data in a creative and predictive manner for the ultimate purpose of adjusting strategies according to the most reasonable scenario. Different statistical and qualitative techniques can be combined to identify societal, media, political, ecological and technological trends that could affect the company. This includes time-series analysis, regression modeling, Delphi surveys, forecasting, listening to stakeholders, media monitoring and environmental scanning.

Planning Tools

- **Vision and mission statements** are essential for establishing and executing corporate strategy. A mission is a statement about the primary purpose of the company and serves as a guide for making business decisions. A vision offers a statement with future directions for the company and the corporate values, which all members of the organization should incorporate.

- **Communication scorecards** are an adaptation of the Balanced Scorecard, a method to translate strategies into actions and report on results. Scorecards typically combine financial and non-financial indicators to show how communications generate value. The basis comprises of either business goals or communication targets, from which action plans are derived and linked by cause-effect relationships. Communication scorecards are typically based on value link models, which visualize the way in which communication activities contribute to overall organizational goals. Value links identify functional chains between value drivers such as reputation or commitment, which are influenced by communication as well as overarching financial targets and intangible resources.

- **Brand positioning** is the process of developing a sustainable competitive advantage by placing an object (the company, its CEO, its products or services) in the consumer's mind. Upon analyzing stakeholders' perceptions of the corporate (or product) brand identity and attributes, companies strive to identify a suitable position in the struggle for attention. The goal is to create a unique impression in the eyes of target publics. Various factors such as a fit between vision, culture, identity and image, as well as pricing, promotions, distribution, packaging and competition have to be taken into account. Brand positioning usually results in the definition of a brand promise, which describes the distinct, compelling and value-based idea of the brand.

» There is no lack of performance indicators or tools to measure communication success – the real question is how to aggregate the data?«

Jan-Peter Schwartz, Senior Vice President Corporate Communications & Brand Strategy, OSRAM

Execution Tools

- **Customer and stakeholder relationship management** is used to manage interactions with key stakeholders such as customers, journalists, critical stakeholders and politicians. Marketing professionals use Customer Relationship Management (CRM) to secure profitable and durable relationships with current and potential customers. Based on data of customers' prior interaction with the company, CRM enables companies to predict customers' purchasing behaviors, identify customers most at risk of switching to a competitor, and cluster them into different overall segments. Stakeholder relationship management helps to cluster different stakeholders according to their attitude and influence, and predict their likely reactions. Thereby, communication departments can target audiences more effectively with tailored messages and improve relationships.

- **Change communication management** is a structured approach to preparing and helping organizational members to successfully adapt to organizational change. Change management requires developing a customized plan and creating tailored messages that address the specific information needs of different employee groups. Coaching and training of executives and staff are often used to support this.

- **Crisis communication management** is designed to protect an organization and its stakeholders from the negative effects of crises, such as a loss of reputation or financial assets. The whole concept includes crisis prevention, crisis response plans and post-crisis preparation. Companies usually have a designated crisis management team and use crisis handbooks, which define responsibilities, response times, contain draft crisis messages and provide lists of key contact information.

Evaluation Tools

- **Integrated Reporting** is focused on bringing greater cohesion and efficiency to the reporting process as well as adopting 'integrated thinking'. The International <IR> Framework (IIRC, 2013) proposes that an integrated report should explain how an organization creates value over time in six different dimensions: financial, manufactured, intellectual, human, social/relationship and natural capitals. An integrated report should for instance provide insights into the quality of the organization's relationships with its key stakeholders, which are mainly driven by communications.

- **Dashboard** is a reporting system that is designed to simplify essential information and present key data at a glance for decision makers. Dashboards are used to monitor performance at the corporate level, business unit or departmental level, and are often web-based. They present the current state of activities and goal achievement. They provide quick and often real-time snapshots of all relevant KPIs by visualizing key data in the form of bar charts, graphics, spotlight indicators or symbols.

- **Process evaluation** focuses on project development and progress. It attempts to improve work processes throughout the duration of a project. Indicators include for example budget compliance, throughput times, error rates, satisfaction of (internal) clients with quality and conformity with schedule and deadlines as well as social processes involving the project team. Process efficiency is measured using standardized surveys by project members and can be documented using checklists or bar charts.

Sources: Bruhn et al., 2016a; Bruhn et al., 2016b; DPRG/ICV, 2011; Esch et al., 2014; Esch et al., 2016; Hargie & Tourish, 2009; Hatch & Schulz, 2001; IIRC, 2013; Ragas & Culp, 2014; Rolke & Sass, 2016; Smith, 2017; Riel & Fombrun, 2007; Watson & Noble, 2014; Zerfass, 2008.

Toolbox for Strategic Communication Management

MANAGEMENT TOOLS

ANALYZE

- Strategic analysis
- Life-cycle analysis
- Portfolio analysis
- Means-end analysis
- ABC-Analysis
- Cost utility analysis
- Resource analysis
- Materiality analysis
- Budget analysis
- Customer portfolio analysis
- Customer journey
- Sales funnel analysis
- SWOT, PEST
- Benchmarking
- Competitor analysis
- Positioning analysis
- Gap analysis
- Scenario technique
- Five forces model

PLAN

- Strategic planning
- Balanced scorecard
- Product market matrix
- BCG matrix
- Strategic dice
- 4 P's of marketing
- Vision statement
- Mission statement
- Disney method
- Osborn method
- Brainstorming
- Mind mapping
- Design thinking
- Agile planning

COMMUNICATION TOOLS

ANALYZE

- Stakeholder analysis & mapping
- Relationship-based target group identification & segmentation
- Communication touch points analysis
- Media richness analysis
- Communication benchmarking
- Situation analysis
- Communication gap analysis
- Marketing portfolio analysis
- SWOT
- Forecasting, scanning, scenario technique, trend analysis
- Issues monitoring, listening
- Cost benefit analysis
- Competency analysis
- Communication audits
- Communication Value Circle

PLAN

- Communication scorecard
- Target house
- Strategic house
- Value link models
- Brand iceberg
- Brand wheel
- Corporate branding tool kit
- Corporate reputation management
- Corporate identity
- Integrated communication planning
- Communication / cross-media / advertising budgeting / modelling
- Reflective communication scrum
- Communication Manager Roles Grid
- Communications Contributions Framework

How to use the tools developed in this project

The Communication Value Circle can be used in combination with other analysis tools to identify and structure communication goals and align communication targets with corporate strategy. By matching all communication goals with specific performance indicators, it can also serve as an evaluation tool.

The **Communication Manager Roles Grid** can be used as both a planning tool to define success profiles or set up personal goal agreements or as an additional evaluation tool to reflect on the individual performance in everyday business and to examine competencies.

- Performance management
- Lean management
- Change management
- Project management
- Customer relationship management
- Business process reengineering
- Team management
- Conflict management
- Negotiation management
- Knowledge management
- Innovation management
- Management by objectives
- Complexity management

- Strategic controlling
- Performance measurement
- Profit, service und cost center
- Multi-level contribution margin accounting
- Target costing
- Activity based costing
- Due diligence
- Total quality management
- Six Sigma
- Process audit
- EFQM excellence model
- Intangible capital reporting
- Integrated reporting

EXECUTE

EVALUATE

- Corporate design manual
- Code of conduct guidelines
- Social media guidelines
- Issues management handbook
- Crisis communication management
- Change communication management
- Campaign plan
- Content management
- Key messages toolkit
- Message mapping
- Channel management
- Cross-media management, media planning
- Open innovation toolkit
- Stakeholder / social customer relationship management

- Dashboards, cockpits
- Evaluation frameworks (DPRG/ICV, AMEC)
- Brand valuation
- Reputation analysis
- Media content analysis
- Employee survey
- Relationship / network analysis
- Public opinion polls
- Credibility analysis
- Journalist survey
- Customer survey (NPS)
- Advertising impact analysis
- Website usability test
- Recall / recognition test
- Social media analytics (big data)
- Process analysis

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The **Communications Contributions Framework** can be combined with planning tools to prioritize communication goals and allocate budgets. It can further be used as a supplementary evaluation tool for reporting the four core contributions of communication departments in a holistic manner.

The future of reporting

Communication executives must be able to present a clear and concise report for top management that tells a consistent story of how communications contribute to corporate value creation. Despite the trend towards Integrated Reporting, our research demonstrates that reporting in the field of communication management is still in its nascent stage and remains largely narrative and informal. In the companies we talked to, most evaluation reports presented output-centered measurement data such as media reach, website traffic and event visitors. By contrast, few reports included data demonstrating the strategic contributions of the communication department to organizational performance.

Professional reporting will become an important success factor in the future. Excellent communication executives will move beyond reporting at the technical level and will likely move towards embedding integrated reporting tools. This will result in a more holistic approach to reporting. In the future, a professional report will show the most important measurement insights at a glance and structures real-time information for the purpose of making informed decisions.

Keys for success

- Integrate and adopt established management tools: supplementing communication with management tools helps to plan and define communication targets, measure department effectiveness and efficiency and also helps to report communication impact in the language of management.

- Perform result-oriented assessments throughout the process of value creation: the measurement of communication success is still heavily based on monitoring communication outputs. Departments should track the personal and financial costs and evaluate communication impact based on the strategic or financial targets of the organization.

- Use evaluation insights for planning processes and adjusting strategies: measurement insights and big data applications hold great potential, e.g. for identifying areas for improvement, leading communication teams, or advancing future activities.

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At a glance

- Communicators benefit from applying established management tools to steer and optimize communications. Using the same tools as business executives helps to demonstrate the department's effectiveness and efficiency convincingly. Reporting communication impact in the language of management contributes to greater appreciation of the communication unit and recognition as a key competitive factor in business practice.

- The new toolbox offers a comprehensive and structured overview of the most popular tools from management and communication. Communication executives can use the toolbox to verify whether appropriate tools are in place for each phase of communication management. The need to catch up is probably biggest for adopting analysis and evaluation tools, i.e. for using big data analytics or conducting result-oriented instead of output-centered measurement.

- The newly developed Communication Manager Roles Grid, Communication Value Circle, and Communications Contributions Framework supplement existing communication tools to improve analysis and planning and can easily be combined with already implemented tools. Thereby, common gaps in the first phase of the communication management process can be filled.

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In 2015 the Academic Society launched the world's most comprehensive research program for strategic corporate communications – Value Creating Communication. Researchers from universities in Leipzig, Münster, Wien, and Berlin are collaborating with academics from all over the world and with corporate communications executives from leading companies. Together they are researching the key challenges facing communication management today, such as digitalization and Big Data, value creation and how to set up processes and collaborate with internal and external partners. Furthermore, the research program is aiming to advance the profile of strategic communication as an advanced field of corporate management.

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