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| Corporate Communication |
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# Learning Objectives

Corporate communication is an integrative manner of handling different interaction disciplines in modern organizations that have a complex environment of interdependent relationships and interests in the market and the community. Corporate communication uses various tools and methods to foster a harmonious environment. Although it was first developed in for-profit companies, its strategic perspective extends to nonprofit organizations and government departments.

This course consists of three sections. The first section presents the development of corporate communication in connection with the growth of societies and the resulting complexity of the global environment. Within this framework, the different subdisciplines that make up the corporate approach to communication are described, and the differences in perspective regarding public relations are defined. The second section analyzes two fundamental dimensions on which corporate communication is based: (1) corporate culture, or the system of beliefs and behaviors that support the sense of belonging and the emotional framework of an organizational space; and (2) visual identity, which is a critical aspect of the identification and symbolic differentiation of brands in a world saturated with information and signs. The third section addresses the aspects of corporate communication expressed in digital platforms and the challenges of institutional presence in these new contexts of social exchange.

# Unit 1 – Introduction to Corporate Communication

**Study Goals**

On completion of this unit, you will be able to …

… understand the fundamentals of communication in organizations.

… distinguish between the internal and external dimensions of communication.

… identify the levels of internal communication.

… analyze the role of the brand in corporate relations.

# 1. Introduction to Corporate Communication

## Introduction

Communication is part of daily life. It was crucial in our evolution and the transformation of our neurobiological capacities, and it is as intrinsic to our bodies as our senses. Psychologists and evolutionary neuroscientists have argued that communication is responsible for the human brain’s increased level of complexity and sophistication from times of the Neanderthals to the present day (Märtin & Boeck, 2012). This increased complexity allowed relational codes to be transformed from an exchange of guttural sounds to the sophisticated symbolic construction of the reality we share daily (Dunbar, 2001).

Communication is a process that allows us to share realities, from the first pictographs to the latest messages or videos on social networks. The media have changed; however, our need for communication has endured over thousands of years. From caves to digital platforms, we create narratives to make sense of relationships and manage the emotional effects of daily circumstances (Damasio, 2019; Gazzaniga, 2009).

The evolution of communication in organizations has been related to the development of societies. Gabay (2015) has posited that cave drawings and petroglyphs were not simply random or disconnected images; rather, they were symbolic structures with different meanings, from warnings of war to the representation of significant tribal activities. “Similarly, today, brands are symbolic structures representing a product, a lifestyle, specific values” (Gabay, 2015, p. 17).

Communication began to receive scientific attention in the middle of the 20th century, when the exchange of symbols and meanings captured the interest of organizations, governments, and the media because of the significant effects this had on society. Early scientific studies focused on information; such research mainly comprised engineering or military studies on transmission processes, with purposes such as refining artillery marksmanship. They aimed to determine how much information was needed to “persuade” the “receivers” of a particular message. Shannon’s (1948) mathematical model of communication focuses on the delivery of messages from one point to another. However, the model describes data transmission itself; it does not analyze the delivery of meaning. The first scientific models of communication were developed based on Shannon’s perspective, and aimed to refine transmission to influence behavior. Thus, in 1949, Weaver defined communication as “all the processes by which one mind can influence another” (as cited in Smith, 1972, p. 33).

Corporate communication adopted these scientific postulates for its early initiatives. However, limitations of these initiatives soon became clear. Societies were growing, and demands were becoming more complex. People were not simply receivers of communication; they were developing their own theories about organizations. This complex interaction motivated the development of new models. Thus, corporate communication was created as an approach that allowed organizations to address their relationships and strategically share collective realities.

## 1.1 Principles and Definitions

### According to van Riel and Fombrun (2007, p. 13), “organizations are networks of people communicating with each other.” People share meanings in myriad ways. In organizations, communication flows vertically (between hierarchical levels) and horizontally (between colleagues), internally and externally, and formally (through official contents and documents) and informally (in spontaneous encounters). The quality of communication defines the quality of relationships, because the permanent exchange of meanings influences people’s perceptions, emotions, attitudes, and experiences, both within and outside of organizations.

### Through the communication process, individuals and organizations shape their relationships using symbols (sets of elements that represent a reality, such as words, expressions, sounds, gestures, and images), messages (sets of symbols articulated in specific instances, such as text, pictures, and speech), and meanings (representation intents derived from the articulation of symbols and messages) (Schneider & Barbera, 2014). Communication entails a profound negotiation of meaning. There is no single version of reality and thus no univocal sense in a message; meaning emerges from negotiation between parties who exchange messages with particular purposes (Rothwell, 2017). The communication process is influenced by the context in which the communication occurs, which involves cultural factors, the emotional state of relationships, and people’s understanding of codes, their previous experiences, and their content knowledge (Mcquail & Windahl, 1995). These fundamental aspects of human communication are vital in understanding the development of communication in contemporary organizations.

### Communication in Organizations

Communication in organizations has been closely linked to organizational models. The corporate perspectives of the 20th century considered organizations as machines and communication as means by which to transmit information. Therefore, the first communication models were focused on transmission that would be adequate to align and sustain the “mechanism” of work (Gayeski & Majka, 1996).

Internally, communication was seen to be used as a tool for coordinating workers’ operational tasks; externally, it was understood to enable information to be provided to journalists (Argenti, 2015). In this framework, organizational communications emerged from the corporate need to share information and contain the demands of the environment, particularly newspapers. Organizations were beginning to feel pressure from the public to explain their behaviors; in response, they designed communication strategies. At the same time, new laws were coming into force in industrially developing countries that obliged organizations to communicate specific actions. Corporate communications were therefore issued ad hoc to inform the community and journalists of the corporation’s reality and activities.

During this period, corporate communications were reactive measures for preventing journalists getting too close to management or breaching corporate walls (Myers, 2020). The fledgling department responsible for those measures was called the public relations or public affairs department.

As communication needs reached new levels of complexity, the information functions of communication incorporated other disciplines, creating additional functions (Argenti, 1996). Cornelissen (2020) suggested that from the 1970s onwards, a more integrated concept of communication began to develop with the incorporation of several specialized disciplines related to internal and external communication processes.

The fundamental difference between corporate communication and public relations is that the corporate function “focuses on the organization as a whole,” with the aim of generating an orderly and coherent image of the organization across all key audiences (Cornelissen, 2020, p. 32). This approach led many organizations to bring independent disciplines—such as media relations, advertising, sales promotions, and product advertising—together to form more integrated departments or specific work practices (LaBelle & Waldeck, 2020).

Corporate communication began as a strategic model for integrating all areas of interaction to give the organization direction and articulate its efforts in an orderly and coherent form (indeed, the term “corporate” derives from the Latin word “corpus,” meaning “unit”). Corporate communication still adopts a “one company, one voice” approach and aims to make the organization appear as a single subject with a coherent narrative across markets, audiences, and brands (Tench & Waddington, 2020, p. 460). An organization’s corporate communication strategy should project its unique character (Kitchen & Schultz, 2001), which implies aligning the corporate image across different **stakeholders**.

**Stakeholders**

Groups that are valuable to the organization due to their influence on the organization’s activities are called stakeholders.

### Dimensions of Corporate Communication

Currently, corporate communication fulfills a management function of designing strategic intervention guidelines and coordinating actions from different specialized disciplines, including media relations, public affairs, and internal communication (Cornelissen, 2020). Thus, corporate communication is not just another discipline but a unifying approach with a global strategic perspective that considers the organization as a unit of projection in society (Christensen et al., 2008). Van Riel (1995, p. 26) defined corporate communication as a “management tool by which all forms of internal and external communication consciously used are harmonized in the most effective and efficient way possible to create a favorable basis for relations with the groups on which the company depends.”

Corporate communication involves strategically planning interventions, coordinating the execution of plans and programs, and advising the CEO and senior management team what to communicate and what not to communicate at particular times. The overall purpose of corporate communication is “to establish and maintain a favorable reputation with the stakeholders on whom the organization depends” (Cornelissen, 2020, p. 32). Clutterbuck (2001) posited that the effectiveness of corporate communication depends on a close linkage between the communication strategy and the strategy of the organization as a whole (cited in Argenti, 2015, p. 62).

According to van Riel and Fombrun (2007), the global dimension of corporate communication is based on three axes of intervention:

* **Management communications**. This dimension of communications entails political and institutional purposes. It involves actions at the highest management level and is aimed at both internal and external audiences. It is still referred to as “public affairs” or “institutional communication,” because it has relationship objectives in areas that are crucial for the development of activities including communication by the president or CEO, presentations by managers whose objectives may be both internal and external, public presentations, alliances, lobbying actions, and relations with investors and governments.
* **Marketing communications**. This dimension of public communication involves selling and promoting products or services. In the case of companies, it involves advertising, social media management, marketing strategies, sponsorship, street activities, design, and market research. In the case of civil organizations this dimension is not typically referred to as marketing, though it does include many of the same communication activities.
* **Organizational communications**. This dimension comprises the parallel areas of political and commercial/promotional communication. Interventions may be both internal and external, and are aimed at the community, social responsibility, relations with the press and institutions, social groups, the environment, and corporate advertising (van Riel & Fombrun, 2007, p. 13).

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| Dimensions of corporate communication (based on van Riel & Fombrun, 2007) | | |
| **Management communications** | **Strategic level**  Articulation of relationships with key reputational audiences | Financial information  Institutional relations  Specialist press  Special meetings  Business road  Lobbies  Alliances  Sponsorship |
| **Marketing communications** | **Products/services**  Specific campaigns to launch, promote, and reinforce the positioning of products and services | Advertising campaigns  Marketing campaigns  Outdoor activities  Internet  Social media  Social events |
| **Organizational communications** | **General community**  Management of the image with respect to different audiences | Intranet  Culture  Community activities  Social campaigns  Human resources activities  Training processes  Social responsibility initiatives  Corporate advertisements |

Corporate communication involves the management of resources in different dimensions and directed at different audiences to achieve a solid and coherent social presence. These dimensions of corporate communication do not have rigid boundaries, because management dynamics continually recreate their scope. The dimensions demonstrate the complexity of corporate communication, which is not confined to the management of isolated messages or the delivery of promotional campaigns.

### Self-Check Questions

1. Please mark the correct statement(s).

Corporate communication is a strategic process for organizations.

* Because it allows you to organize appropriate social networking strategies.
* *Because it allows projecting a unified and coherent image of the organization*.
* Because it allows for a better relationship between journalists and corporate management.

## 1.2 Internal vs. External Corporate Communications

Organizations communicate beyond the interventions designed by a specific department. Plans and campaigns are an important part of the communication process, but there are other instances of communication. Organizations also communicate through their decisions, behavior, ways of serving customers, and public presence. Often these instances of communication are not controlled by the communication team and have significant effects on the relationships with different stakeholders. Beyond what it says through different media (in a planned and controlled manner), an organization communicates with its social presence because each movement and decision impacts the social image of the organization.

Social valuation results from organizational participation in society; it is defined in the daily interaction with different audiences. Corporate movements have multiple consequences and repercussions: economic, social, political, financial, technological, and cultural. The strategic presence of an organization is the result of the management of relationships in society. From this perspective, communication provides a fundamental management approach to a basic interaction process. The possibility of insertion and permanence of a corporate proposal will depend on the net of social perceptions that welcomes or rejects the organization's presence. In this symbolic network, "an organization competes with other products and brands, but it also competes with beliefs, values, ideas, habits, and attitudes (which make up the virtual space of social perceptions)" (Manucci, 2008, p. 85)

While the boundaries between the categories of audiences are blurred, two broad dimensions of relations frame corporate communication strategy:

* **Internal relations**. This dimension involves people directly related to the production process (workers, management, administration, suppliers, subcontracted personnel, branches). The objectives of this level are to provide the necessary information to carry out each of the roles and to share a corporate culture that unites people with specific values and corporate premises. Internal links are essential to the individual commitment, performance, and competitiveness of an organization's human talent.
* **External relations**. This dimension involves another series of relationships with diverse audiences. These audiences include critical actors (clients, leaders, government, media) whose decisions are vital for the organization's activity. These relations also include other minor groups (institutions, social groups, civil organizations). The most important objective in external relations is the position of the organization and its products or activities in the market and the community. This objective implies a recognition in the audiences that provides a favorable environment and are essential to the organization's reputation and the social valuation that will impact the purchase, investment, recommendation, and support decisions.

### Critical Corporate Relationships Issues

External and internal relations generate special coexistence conditions for organizations. Tench and Waddington (2020) argue that corporate communication has a unique role in the organization as an area of contact with multiple audiences. This position allows it to provide other corporate areas or departments with important information about stakeholders' needs and the status of relationships.

The dynamics of internal and external links present a series of sensitive emerging issues for managing communication with different audiences framed in the following topics (LaBelle & Waldeck, 2020, p. 11).

* **Internal management and leadership**. Leadership styles are key to motivating people. The leader brings a vision and a strategic framework to organizational coexistence that affects internal performance and productive capacity (Weik, 2009). It also affects the organization's reputation with external audiences.
* **Laws, regulations, and political forces**. Compliance with the rules and regulations involved in the management of an organization requires specific communication due to the high sensitivity and risk of some legal issues involving the organization's activity and the impact of its operations on communities or territories.
* **Media**. The media has always been a "watchdog" of the behavior of organizations. In some cases, they represent the demands of society; in others, they are just looking for an event to generate headlines. In both cases, the coexistence with the media implies a permanent exchange of information, which moments of tension and moments of collaboration. In many ways, a healthy relationship with the media contributes to a more transparent and ethical image that impacts both externally and the sense of belonging of internal audiences.
* **Social media**. The media are key sources of information that influence people's perception of facts. This issue implies a central strategic dimension because the contact and the relationship that the organization builds with the media will be critical for creating a positive context of social coexistence. Thus, providing clear information and meeting the needs of the media (both traditional and new digital media) is vital to maintaining a positive public projection in different audiences.
* **Brand recognition**. The perception of the organization defines stakeholders' decisions. Organizations have diverse stakeholders; they are social groups with different expectations regarding their activities. To maintain strategic relationships, organizations must keep a promise with value to be recognized and chosen in the different decision instances (investment, purchase, support, recommendation, alliance). The brand carries the value of a corporate promise. Therefore, this dimension is essential to maintain stable and solid connections between the organization and its key audiences.
* **Corporate culture**. It involves the frame of reference for internal relationships among the organization's employees. This dimension is fundamental because it provides the parameters that support the people's performance in the productive activity and the values and premises that support a corporate project. Nowadays, organizations need to redefine cultural aspects to achieve innovation and creativity in their capacity to respond to new competitive scenarios.
* **The work environment**. It is one of the most sensitive aspects of organizations because it frames the well-being conditions within an organization and affects people's productivity. According to the Workplace Bullying Institute (Robinson, 2019), there is an "epidemic level" in the USA "involving 4 out of 10 people in a growing number of statistics" (para. 5). In recent years, this issue has taken prominence from the visibility in more relevant public areas such as the entertainment world that gave rise to the #metoo movement.
* **Partnerships and collaboration**. In a complex world of profound change, organizations must rely on partnerships and alliances to address new issues and competitive challenges with new resources. These relationships have different modalities and formalities in this global and virtual context. The most important factor is that this network of resources becomes indispensable for sharing modalities of response to the challenges of new scenarios for organizations.
* **Growth, change, and flexibility**. The first decades of this century have been times of challenges and changes for organizations. These changes compromise the external responsiveness of organizations; therefore, their implications for human talent are essential, both for current workers and for future generations of workers in the organization (LaBelle & Waldeck, 2020, p. 11).

### Internal Communication

Internal communication involves the different instances of communication with employees, which often interacts with the company's human resources function (van Riel & Fombrun, 2007).

The definition of internal communication may have different emphases depending on the perspective. For example, a more mechanistic view defines it as "all the instruments to communicate with employees" (Cornelissen, 2020, p. 189). A more classical perspective posits "the exchange of knowledge and ideas within the organization" (Mazzei 2010). A more strategic view sets that internal communication is "the conscious and constantly reflective process that supports, drives, develops and changes the organization's strategic direction" (Dahlman & Heide, 2020, p. 4). Finally, a cultural version of internal communication posits that "it is the process of supporting the implementation of a strategy, disseminating values, and creating the personality that plays a significant role in the organization's competitive advantage" (Dunmore, 2002, p. 133).

* Rogala and Bialowas (2016) propose that proper management of communication processes increases business productivity and creates favorable working conditions. Hence, its role goes far beyond the aspect of information provision. In this framework, the authors define two levels of Communication **Technical Communication**. It is the flow of information related to the routinely performed tasks. This type of information includes orders, reports, reports, and inventories. Due to its institutional importance, it is a very formal type of information.
* **Relational Communication**. It includes all communications that influence people's behavior and attitudes toward cooperation and integration. This information can be formal (through institutional channels) or informal (in spontaneous meetings or special activities/channels for each occasion) (Rogala & Bialowas, 2016, p. 45).
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Proper internal communication management involves delivering information to increase the activity's productivity and the provision of processes to create a pleasant working environment. Therefore, internal communication is not synonymous with information. In any case, information management is key to the quality of messages and the framework of coexistence in the workplace (Morgan, 1996).

* Internal communication processes (whether technical or relational level) unfold in three directions: vertical downward, vertical upward, and horizontal **Vertical downward communication**. This communication direction implies an authority with a higher level in the chain of command. That is why it is vertical downward; this means there is information or data that a position of authority delivers to its employees or subordinates. This information can be technical (p.e., details of tasks, objectives, recommendations, essential information) or relational (p.e., greetings, messages about new challenges, congratulations for certain achievements, greetings for events, or cultural festivities).
* **Upward vertical communication**. This direction of communication occurs in the same authority relationship as the downward one, except that, in this case, the authority receives information from the lower levels of the staff. This type of direction is significant to "listen" to the employees' different opinions and needs. Upward communication can be technical (referring to employees' comments on their tasks or roles). Also, it can be relational (when it refers to the work climate, job satisfaction, or other dimensions of the employee's belonging to the organization).
* **Horizontal Communication**. This is a communication between peer positions; there is no relationship of superiority in these relationships. Therefore, it is a more fluid and spontaneous communication. Although other types of institutional or confidential information can be shared, this type of communication is more daily and fluid. It can be generated in different media (from conversations in the corridors of the organization, text messages, face-to-face or virtual meetings, and emails). (Rogala & Bialowas, 2016, p. 57).

In every organization there is formal communication (arising from one source representing the institutional voice) and informal communication (arising from various sources representing personal or group opinions). Communication tools for message delivery can be arranged according to the direction of communication.

Internal Communication Levels (Based on Rogala & Bialowas, 2016)

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Internal communication supports corporate processes because it allows the delivery of messages or orders (vertical downward communication), listening to comments or obtaining information (vertical upward), or sharing data, comments, and issues in general (horizontal). In this sense, internal communication becomes an ally of the Human Resources or Human Talent area because it allows this department to materialize different processes that are part of the operation and coexistence in the organization. Within this framework, communication contributes four fundamental aspects to corporate processes (Krone et al., 2001, as cited in van Riel & Fombrun, 2007, p. 188).

* **Efficiency**. Internal communication is the area that designs and plans the delivery of corporate messages at different levels.
* **Identification**. Internal communication designs and plans the way to maintain a motivational frame of reference that generates a sense of belonging among employees.
* **Connectivity**. Internal communication is used to support the role needs of people in the organization's activities.
* **Satisfaction**. Internal communication provides resources to improve well-being conditions throughout the organization.

### External Communication

Communication strategy is not just a matter of creative messaging or innovative channels. The strategy begins with a value proposition. If the proposal is not attractive to the audiences, the communication cannot generate that value. But without communication, the value proposition loses meaning with audiences. People choose and commit to the promises of organizations not only because of intrinsic qualities but essentially because of the overall perception they have of the offering.

To sustain the value of a proposal in external links, Argenti (2015) and van Riel & Fombrun (2007) highlight five significant groups of external intervention.

* **Media relations**. This axis remains fundamental to the corporate communication effort, which must be able to deal with the media as the company's spokesperson. This axis remains fundamental to the corporate communication effort, which must be able to deal with the media as the company's spokesperson.
* **Marketing communications**. This is the communication process to promote an organization's products and services. They are persuasive strategies that seek a specific behavior of specific groups of audiences. Generally, marketing areas are associated with companies; however, many nonprofit organizations also use marketing techniques for persuasive purposes.
* **Investor relations**. This process is aimed at a critical group that provides funding for the organization's activity. Investors are not restricted to companies (shareholders, banks, financial partners); civil organizations also have investors in their projects (individual and institutional donors), and governments have financial commitments with different private and governmental agencies.
* **Government Relations**. This type of communication is a channel of contact with government areas related to the organization's activity. In some organizations, these channels are mandatory by law (companies with an impact on the environment or national security). In other cases, these channels are created to directly access certain decisions that may affect the activity. Among these relationships is lobbying. This technique is used when an organization or group contacts the government to complain or persuade about certain decisions.
* **Community Relations**. This axis is related to the need for good relationships and includes a broad group of audiences (van Riel & Fombrun, 2007). In this dimension, the objective of communication is to show the organization as a responsible social actor in different social situations.

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| External Communication Tools (Based on Argenti, 2015; van Riel & Fombrun, 2007) | | |
| **Axes** | **Strategy** | **Instruments** |
| **Media Relations** | Maintain close relationships with journalists and opinion leaders in traditional and digital media. | Spokesperson  Press meetings  Press Room  Digital information  Specialized content |
| **Marketing Communication** | Promote the activity/product among target audiences/customers.  Consolidate relationships.  Explore needs and new demands. | Graphic and audiovisual design  Fairs and events  Advertising campaigns  Internet and social networks  Sponsorship  Fundraising |
| **Investor Relations** | Provide economic and financial information.  Provide information on new corporate projects. | Press releases  Roadshows  Videoconference  Meetings  Reports/Balance Sheet/Trends  Specialized press |
| **Government Relations** | Maintain links with control agencies.  Provide regulatory information.  Present new projects. | Institutional meetings  Specialized press  Media interviews  Corporate actions  Participation in trade or industry organizations |
| **Community Relations** | Maintain relationships with social referents.  Provide comprehensive information on corporate processes.  Sustain a favorable reputation in the community. | Contact Center  Institutional Relations  Participation in social forums  Press relations  Analysis of critical issues  Sponsorship of activities  Event Sponsorships |

### Self-Check Questions

1. Please mark the correct statements.

What defines the value of an organization to stakeholders?

* *Overall subjective perception of the proposal/organization*.
* A comparison of characteristics between proposals/organizations.
* The impact of advertising campaigns.

## 1.3 Image Building and Brand Development

People build a particular relationship with organizations and their products or proposals that result in an experience beyond the specific characteristics of those proposals. This means that people choose what they have subjectively constructed in their relationship with an organization. People do not choose based on data; they choose based on the interpretation of that information. In simple decisions, data can define the choices. However, in more complex decisions, the image will have more significance in the selection because people do not have all the complete information to decide; therefore, they rely on their own perception based on their personal interpretation of the available information. This is the corporate image, "a mental image that audiences create regarding the organization" (Beger, 2018, p. 507).

McDonald's expansion outside the United States shows an example of the value of the corporate image in people's decisions. "McDonald's represents the largest restaurant chain in France and is run by a French management team with French capital" (Bouchikhi & Kimberly, 2008, p. xvi). Only the visual identity maintains the American idiosyncrasy; over the years, all the restaurants and menus have a French style and aesthetic. (Wile, 2014). However, the company struggles with the public perception of junk food restaurants (The Local, 2018). The company has not stopped carrying out different campaigns to transform this negative image in part of public opinion and a large part of the media. Even so, the McDonals brand has not been able to overcome a negative perception associated with junk food, capitalist consumption, and American culture. For the French, these values are absolutely contrary to their historical culture, and it has been an arduous task for the company's management to generate positive links with specific audiences. (Cozens, 2016).

The corporate image is an **intangible asset** because it does not have a physical entity in people's minds. Even so, "image is a valuable asset because it defines people's decisions" (Foroudi & Foroudi, 2021, p. 67). Image is the total impression that an individual has of an organization that can be shared among different sectors of society (Dowling, 1986; Hatch & Schultz, 1997). The integration of individual perceptions creates the parameters of an organization's collective image. The image of an organization is influenced not only by these carefully prepared and controlled messages but also by everyday interactions with the organization, its products, and its staff, for example, in customer services (LaBelle & Waldeck, 2020).

**Intangible Asset**

These are non-physical assets such as skills, brand and corporate culture that contribute to the value of an organization.

Corporate communication is often confused with an organization's "visual image" (with its logo and corporate colors). Nevertheless, the corporate image is what people have perceptually interpreted about the organization. It is the concept of the organization that each person has internalized from their relationship experience. In this framework, corporate image management is the management of the attributes associated with the organization. The challenge for corporate communication is to project, through different interventions, the key attributes to bridge the gap between the "perceived" image and the "desired" image that the organization seeks to project. Corporate image management does not imply the control of perceptions or "persuasion" concerning certain values. Cornelissen (2020) states that corporate image management aims to project clear and differentiated organizational attributes. The advantages of strategic image management are summarized in the following points (p. 137).

* **Distinction**. Corporate image management allows an organization to be recognized and differentiated from others. This recognition generates trust and provides a clear framework for decisions.
* **Impact**. Corporate image generates conditions for an organization to be chosen among different proposals. This, in turn, can directly impact the organization's performance when it makes people support the organization (buying, investing, commenting, recommending).
* **Coherence**. The image allows the association of specific attributes in different social environments. Whether with investors, government, or customers, the image must always be the same. The coherence in the organization's communication and public projection positively impacts relations with stakeholders because it reinforces a unified image of the organization.

Corporate image management is a strategic process because it defines the quality of ties with audiences. An interesting example of this social sensitivity is demonstrated by Chinese companies' political and psychological resistance when entering or making acquisitions in Western markets (Arthur, 2018). Lenovo was a flagship brand of IBM at the birth of notebooks. Lenovo was synonymous with professional and robust tools and had wide reliability in the business world with the backing of IBM. In 2005, Lenovo was sold to the Chinese capital. The merger was successful after great cultural work, and the brand maintained its leadership (Bajarin, 2015). However, according to the American public opinion, Lenovo had ceased to be American and was a Chinese company. This image was crucial at a controversial moment when Lenovo obtained a contract to supply the U.S. government with computer equipment. Criticism was focused on the security threats posed by the government using Chinese equipment (Selyukh & Palmer, 2013). Many Chinese companies used American brands to sell their products in the West. They bought historical brands that were part of Western cultures (such as RCA, Thomson, and Alcatel) to sell their electronic products. In this way, people in the West continued to buy their favorite brands, even though the equipment, the owners, and the design were Chinese". (Bouchikhi & Kimberly, 2008).

### Brand Development

The relationship between the corporate proposal and the corporate image is embodied in the corporate brand. Foroudi & Foroudi (2021) state that "the corporate brand serves as a visual shortcut that represents a promise to people" (p. 10). This promise is related to the product and the values and principles of the organization behind the brand.

The modern sense of brand as representing a corporate promise has ancient roots. The term "brand" is derived from the word "brandr," meaning "to burn. " This was the term in Viking times until the 1300s used to denote the practice of imprinting a symbol of ownership on cattle with a hot iron (Gabay, 2015).

At the beginning of the development of brands, they were used to represent the product's characteristics. Today, the brand represents a universe of abstract meanings and values that seek to quickly reach people's minds to favor a faster connection with the subjective image of the brand.

Between 1760 and 1949, visual identification and distinctiveness were combined (Raizman, 2004). With the beginning of mass communication, the concept of graphic communication became more important. The Industrial Revolution had boosted graphic information as a communication tool to associate a name and a representative drawing with a promise. Thus appeared the first commercial brands, such as Coca-Cola, Singer, Kodak, and Heinz (Foroudi & Foroudi, 2021).

In the 1950s and 1979, design began to generate value for brands beyond ordering information on the characteristics of the proposals. At this time, many organizations attempted to modify their old corporate brand designs with a new design that illustrated the scale and size of the organization (Capitman, 1976). In the 1970s, corporate brand design was particularly important as organizations began to introduce new logos to achieve market differentiation. In the 1980s, mass marketing intensely enhanced the power and value of corporate brand design. This brand renewal was influenced by political processes (the end of the Cold War), the internationalization of companies (due to globalization), and new technological production processes. As markets opened up internationally, brands sought new aesthetic codes of representation to reach new international consumers. Brand design involves what a company stands for and how it communicates its identity, product, and services to differentiate itself from others by communicating information about its value, reliability, and origin (Foroudi & Foroudi, 2021).

Brand Evolution (Based on Foroudi & Foroudi, 2021; Gabay, 2015)

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People are looking for experiences at all levels of relationships with a brand. These experiences will have different subjective meanings depending on each sector's role in corporate relationships. Beyond the particular characteristics of choice, the common denominator is that people seek unique relationships with products, companies, and organizations.

Products and services are characteristics with a name, a logo, a physical format, distinctive packaging, and special design features. However, all these characteristics have a special meaning in people's minds. According to Batey (2014), the management of brand meaning occurs in three key instances (p. 32).

* **Brand expression** is the way the brand is expressed, from packaging to communication.
* **Brand experience** refers to how the consumer encounters, experiences, and lives the brand.
* **Brand advocacy** refers to the positive promotion of the brand from person to person through recommendations and endorsements from family and friends and through editorials and opinion leaders

Brand image depends on the dynamics of the context. This means that brand image management is a continuous process. Changes in the context can generate diverse impacts on people's perceptions, affecting their relationships with brands and organizations. (Foley & Kendrick, 2006). The goal of branding is to create meaningful connections between brands and people. With this in mind, distilling brand meaning into a strategic brand concept or idea (Batey, 2014).

### Self-Check Questions

1. Please mark the correct statements.

Why is the corporate image a valuable intangible asset for organizations?

* *Because it defines stakeholders' decisions.*
* Because it is not necessary to incorporate them in corporate annual reports.
* Because it expresses the visual identity of the organization.

## 1.4 Best Practice Examples in an International Context

The relationship between brands and people has undergone a profound change due to technology. The fundamental factor of this transformation is the possibility of expression of people through the so-called **Web 2.0.** This interaction technology allowed people to share their corporate experiences through different digital channels without time and space limitations. These networks gave a new dimension to the relationship between brands and peopleAdvertising began as a discipline in the American market, which had the first large agencies supporting the development of companies in the second half of the 20th century. Since that time, the development of advertising has spread throughout the industrialized world. (Hamelink, 2015). Essential factors in advertising growth were the globalization of large companies, the development of free-market economies, new communication technologies, and the emergence of mass media. Hamelink argues that brand management "must incorporate new conceptual perspectives and technical models to address the two-way, interactive flows that transform brands into virtual conversations about real experiences" (2015, p. 54). This new interactive universe can mean a strategic opportunity to redefine the relationships between brands and audiences.

**Web 2.0**

It is a platform that allows people to share information and interact.

Cornelissen (2020) describes the case of Mini Oreo cookies. These were a variety of the classic Oreo. However, even though they were a commercial success, they did not have their own positioning; they were simply Oreo cookies to the public. The Kraft manufacturing company decided to work so that Mini Oreos would have their own market and, for this purpose, decided to involve the product's own consumers to explore the positioning and communication attributes for this product (Sacks, 2014). This joint work between the company and consumers involved the crowdsourcing company eÿeka, who created, at Kraft's request, a community for the brand's fans to express their opinions about the particularities of the Mini Oreo. Kraft asked people to create an image, poster, or advertisement with their ideas, receiving more than 500 ideas from 42 countries. Based on all these ideas, taken directly from people's experiences, it identified the ten most significant ones to work on brand positioning. The Mini Oreos value promise and the global campaigns around Bonding Moments were born (DossierNet, 2015). The success of Mini Oreo empowered the entire product, including the classic Oreo, to maintain its position as the world's best-selling cookie brand. This brings the Kraft company's annual revenues reaching almost $3 billion (Steenkamp, 2017, p. 129).

The challenge of brand management is to transform persuasion strategies into a singular experience for people (Schmitt et al., 1997). The deployment of sensory experiences in brand management contributes to the projection of a unique brand image. Corporate communication draws on three areas to develop brand experiences (Schmitt et al., 1997, p. 34).

* **Product design**. This discipline focuses on expressing brand attributes through visual presentation in different instances of design and the way the product and service are delivered.
* **Communication research**. This discipline provides the design of two types of messages: central and peripheral messages. The central message is the essence of the brand idea. It represents the concept or promise expressed by a product or service. Peripheral messages are complementary concepts to the central message related to specific topics that complement the main idea.
* **Spatial design**. It provides the symbolic framework for brand encounter spaces, not as functional areas but as environments where people can interact seasonally with a brand (Schmitt et al., 1997, p. 34).

People choose experiences and look to brands to recall those experiences. The ability of communication to project an aesthetically unique brand will have a greater chance of generating memorable experiences for people. These advantages are summarized in the following points (Schmitt et al., 1997).

#### Generate loyalty

Positive experiences are the main "satisfiers" in the consumer experience. People seek to repeat satisfactory experiences; therefore, a brand that provides this perceptual satisfaction has a greater chance of being valued and generating loyalty in purchase or consumption decisions. Absolut Vodka is a brand of Swedish origin that, although it has been a tradition since 1879, began exporting in 1979. Today, it is one of the best-selling vodkas in the world. In addition to the characteristics of its century-old recipe, much of its success is due to its aesthetic strategy. Absolut's aesthetic design generated a unique aesthetic difference concerning other similar beverages. (Mynewsdesk, 2017).

#### Extend the perception of value

Experiences surrounding brands can generate a larger valuation context. When brand attributes or values can be expressed through sensory stimuli, people can have memorable experiences with brands and products. Starbucks has created a globally recognized value experience based on five principles: inspired workers, the importance of details, surprising customers, embracing change, and giving back to the community (Michelli, 2006). All these aspects are combined with a remarkable architecture that generates a unique atmosphere around a cup of coffee.

#### Generate identification conditions

People suffer invasions of messages in their daily lives through electronic media. Positive experiences with a brand provide competitive differentiation in this web of information. Distinctive symbolism enables rapid evocation of experiences that sustain relationships. GAP's casual apparel company was founded in 1969 as a jeans retailer. It maintained its business model for ten years until market conditions led it to innovate its corporate proposition. Thus, in 1983 it changed its logo to represent a new corporate proposal based on an urban, informal, and dynamic style (Barmash, 1991). The company achieved a clear identification, taking its logotype as a design for all its clothing. The name GAP is conferred in part of the prints that define the brand's aesthetics (Butler, 2019).

#### Protect the brand

Trademarks and logos have legal rights that protect copies, frauds, or similar designs. However, the unique aesthetics of a trademark have more protective force than the legal because people recognize the aesthetic details as unique attributes of the trademark. For example, the aesthetics of Apple products are so carefully crafted that even non-consumers recognize an Apple product by its aesthetic design features. Any emulation would be immediately perceived as a copy, discrediting the counterfeit mark. Business models can be replicated, and alternative products or services to the original brands can be generated. An interesting example is the value of the Windows trademark. Microsoft was denied registration of the Windows trademark because it was considered a generic that could not be converted into a brand. However, no one could create a similar product called Windows because the trademark has acquired a use-value that gives it its distinctive character (Schmitt et al., 1997).

In January 2019, shaving company Gillette sought to innovate in its communication by launching a disruptive campaign that showed a different model of masculinity from past decades. The ad openly engaged with the #MeToo movement against sexual harassment and bullying of women, featuring news clips about the movement and cultural imagery about sexism in movies, boardrooms, and on the street (Topping et al., 2019). The new communication strategy transformed the slogan Gillette used for 30 years, "The best a man can get," which was transformed into the challenging statement "The best men can be" (Baggs, 2019). With this statement as a title, the company presented the first advertising spot and launched it on the networks, which immediately became a hit. The ad simultaneously generated abundant praise and angry criticism on the Internet (Hsu, 2019). Critics felt that the ad targeted men and suggested that "toxic masculinity" is widespread and affects all men. Others felt that, with the ad, Gillette was taking a positive and progressive stance on a relevant issue in society, promoting an open and honest debate about masculinity (Goldstein, 2019).

Corneliesen (2020) describes how Hyundai designed its global brand campaign "live brilliant" by innovating with new creative expressions that it developed in co-creation with people around the world. The company used the eÿeka community as a creative source by challenging its members to share a remarkable stories related to personal experiences in cars (Hyundai, 2012). Hyundai asked people to send them ideas in videos and posters, receiving 233 submissions worldwide (Steenkamp, 2017, p. 130). The winning idea, which became the central ad of the campaign, was created by an Italian named Federico Grosso. The idea showed a majestic tree from inside a Hyundai car; the person inside drew a house on the window, completing the figure of "a treehouse." From this central idea, the automotive company's agency designed other experiences that combined the same concept by integrating the car's well-being with different pleasurable experiences for people (eÿeka, 2014).

### Self-Check Questions

1. Please mark the correct statements.

What challenge does Web 2.0 create for brand management?

* That campaigns become more expensive because they involve more media.
* *That people can express their experiences directly*.
* That brands must have online responses.

Summary

People build a particular relationship with organizations. This means that people create their own image of "what an organization is" and "what an organization does," which is the corporate image. This subjective version is the basis for the decisions of the different stakeholders. Therefore, organizations have a key challenge in the image they project and the images they form in people's minds.

Corporate communication is a strategic approach that integrates different intervention dimensions to project a coherent and solid image to different stakeholders. This approach transformed the communication strategy from an information department to a strategic area that takes care of the quality of corporate links. The quality of relationships will define the impact on the most valuable intangible asset that organizations have, their image. In this relationship between identity ("what the organization is") and image ("how it is seen by stakeholders"), the brand plays a vital role as a representative of a relationship experience.

The brand is much more than a set of symbols; it is the expression of a corporate proposal to be shared with different stakeholders. In the valuation of the proposal lies the intangible brand value in the market or in public opinion.

Web 2.0 has generated new possibilities and ways for people to express themselves. In this way, people can directly comment on their experiences with brands, give opinions on their products and customer service, make complaints, and contribute new ideas. This dynamic interaction opens up new strategic scenarios for corporate communication because the image becomes much more vulnerable to multiple influences that organizations cannot control.

# Unit 2 – Corporate Communication and PR

**Study Goals**

On completion of this unit, you will be able to …

… differentiate between Corporate Communication and PR.

… identify the various subdisciplines that make up Corporate Communication.

… analyze the role of Public Relations in modern organizations.

# 2. Corporate Communication and PR

## Introduction

The 1980s was a period of consolidation of the corporate communication model. The world was approaching one of the most important events in modern history, the fall of the Berlin Wall and the beginning of the political-economic process that transformed organizations, globalization. Throughout the decade, companies began to consider the projection of a coherent corporate image to different audiences with more methodological consistency. Until that time, all communication efforts focused on products and services to persuade target audiences. However, the 1980s were crucial for corporations to develop strong brands to support those behind the products and services.

For nearly 100 years, Johnson & Johnson Company was the reference for a well-run, highly profitable, and trusted product manufacturer. That image changed on 30 September 1982, when the company's main product, extra-strength Tylenol, was contaminated, causing seven deaths. The company assumed responsibility for the transparency of the investigation process. After in-depth communication work, the product regained 95% of its previous market share (Seitel, 2016).

When it seemed that the product was again leading its segment, the company suffered a second Tylenol product poisoning attack. in February 1986. Once again, Johnson & Johnson Company, especially its president, took the lead in the communication strategy to remedy the product's image (Marsen, 2019).

The lessons from the Tylenol case can be summarized in three words: speed, transparency, and accountability (Latson, 2014). Alan Hilburg, a consultant to the PR team that handled the strategy, told the New York Times, "The company understood that it wasn't judged on who caused the problem. We were always judged on how we responded" (Haberman, 2018, para. 6).

The Tylenol case created a turning point in public opinion. Although Johnson & Johnson emerged triumphantly from these two crises, people began to demand that manufacturers identify themselves in critical situations. On the other hand, the same companies and corporations began to show themselves as guarantors of specific attributes to give their products competitive advantages in a market.

Corporate communication was structured around three strategies that established brands' presence in society (van Riel & Fombrun, 2007). The first strategy is to project a monolithic brand with the same style in all presentations. Major companies such as Shell, Philips, and BMW have unified their entire style and implemented it in their by-products. Another strategy gives independence to the brands, but the companies maintain their presence, as in the case of General Motors, L'Oréal, and Johnson & Johnson, where the company is always clear (Kapferer, 1992). Finally, a strategy where the brand of the products is the absolute protagonist and the corporation is only identified somewhere in the advertisements or packaging with its logo, as in the case of Unilever products (Olins, 1990).

## 2.1 Corporate Communication as a Subdiscipline of Corporate Communications

Corporate communication "is a coherent approach to the development of communications in organizations" (van Riel & Fombrun, 2007, p. 22). This definition shows that corporate communication is a model, not a technique or a tool. On the contrary, van Riel & Fombrun (2007) state that corporate communication is not a new effort to create a special discipline or a department attached to other communication departments; "it is a way of integrating the classic departments that fragment communication into specialties and techniques, which is ineffective in isolation from a global strategy" (p. 23).

The function of corporate communication as a management model is to maintain coherence in the relationship between **corporate identity** and image (Argenti, 2005). This implies aligning the aspects of corporate personality, what an organization "is," with the perception of the organization, and what people "believe it to be" (Argenti, 2005, p. 68).

**Corporate Identity**

It is the "personality" of the company that includes its mission, vision and values.

The corporate image reflects organization from the subjective interpretation of audiences. In this sense, aligning corporate identity consists of strategically projecting the symbolic attributes representing a corporation, such as its vision and values, people, products, and services. This requires the coordination of different sub-functions or subdisciplines focused on managing the components of corporate identity and developing the experiences that frame the different stakeholders' decisions.

Different subdisciplines integrated into the corporate communication strategy support the bridge between identity and image.

#### Corporate advertising

**Positioning**

It is the representation of a brand's attributes in people's minds.

This subdiscipline is intended to promote the representative attributes of the organization as a global unit. It differs from product advertising or marketing in two aspects. The content does not seek to sell or encourage the consumption of a product to specific targets but rather to **positioning** the organization to general audiences. For example, it is common for organizations to use corporate advertising associated with particular topics of public interest to influence stakeholder attitudes on specific issues that affect them (Belch & Belch, 2017). Corporate advertising includes the sponsorship that seeks to associate the corporate brand with activities or social initiatives to enhance corporate values and attributes (Belch & Belch, 2017, pp. 599—605).

#### Corporate responsibility

This subdiscipline involves community relations and, fundamentally, addresses the development of ethical behavior and decisions respectful of cultures, environment, and values. Corporate responsibility has relevance due to the scrutiny of societies that have become very sensitive to the role of corporations. According to Coombs & Holladay (2011), corporate responsibility is not only a process; it is a philosophy that allows organizations to transform their behavior. In some organizations, it includes managing the communication of a foundation close to the president that manages the philanthropy activities. Corporate philanthropy has become necessary as companies are expected to do more than give back to the community. (Cornelissen, 2020).

#### Relations with media

This subdiscipline was the foundation of communication in organizations, and it continues to be an essential function. Nowadays, the spokesperson's role is significant as a representative of the organization to the media's demands on corporate decisions. Cornelissen states that the spokesperson's role is vital as a "bridge between the media and the company's interests." (2020, p. 226).

#### Marketing communications

This is the subdiscipline dedicated to the promotion of the organization's products/services/projects. It is dedicated to advertising in all its formats, from classic campaigns through traditional media to sophisticated digital media strategies. The challenge of marketing communications is to transform persuasive information (price and product) "into memorable shared experiences guided by emotion" (Roberts, 2014, p. 375).

#### Internal communications

This subdiscipline is aimed at two key aspects, the coordination of roles and the support of corporate culture and shared principles and values. Corporate culture is a critical strategic dimension because it is projected socially as a dimension that defines the corporate image (Keyton, 2014).

#### Investor relations

Investor relations is a sensitive subdiscipline because it addresses the relationships that financially sustain organizational projects. These relationships are essential for organizations and their sources of funding. Also, nonprofit organizations need financing. This subdiscipline includes fundraising campaigns, which are usually strategies for raising money for specific purposes, e.g., social, artistic, or political.

#### Government relations

The function of government relations, also called Public Affairs, is more important in some sectors than in others; e.g., productive sectors highly regulated by the government such as oil companies, security companies, financial services, chemical or drug industries (Argenti, 2015). In some cases, organizations have an international scope that forces them to contemplate regulations and procedures in different countries, so these relationships are organized with local and specialized agencies. This subdiscipline includes lobbying, which is a practice of direct relations with government agencies to present, negotiate or claim certain decisions of government agencies.

#### Crisis management

This subdiscipline grew along with the professionalization of communication in specific areas. Like other corporate crisis management processes (industrial, environmental, health), this subdiscipline has strict protocols for corporate responses. This subdiscipline can also include Critical Issues Management, a practice of analyzing and monitoring external and internal circumstances that may negatively affect the organization.

#### Change management

This subdiscipline has been placed at the center of the reality of permanent and profound changes in the context of organizations. Change management is an internal approach to corporate processes, but it affects the impact and public projection of the activity. Communication in change situations is crucial to accompany the emotional framework of the processes, manage people's resistance to new challenges and enhance resilience in critical conditions for organizations.

Identity, Image, and Communication (Based on Cornelissen, 2020)

Imagen que contiene Forma

Descripción generada automáticamente

### Self-Check Questions

1. Please mark the correct statements.

Corporate communication is a management approach that provides.

* *Savings in media hiring costs*.
* *A global and coherent projection of corporate attributes*.
* *Efficient management of organizational crises*.

## 2.2 Differentiation from Public Relations

In 1906, a reporter named Ivy Lee convinced Pennsylvania Railroad officials to assume its responsibility to reporters for the mistakes made in a railroad accident. Lee argued that openness would engender confidence in the railroad's customers. For many historians, that was the beginning of Public Relations as an organizational communication tool (Turow, 2011). Lee argued that the role of public relations was to influence public opinion with objective information. However, working for John D. Rockefeller's Standard Oil Company, Lee set up a false story to cover the death of people and children during a fight between the company and the union. Many people accused public relations people of generating false lies to cover up for companies. According to Turow, "this has been one of the most significant biases accompanying the discipline today" (2011, p. 564). After World War I, the public's fear of the supposed power of Public Relations as a propaganda agent arose when a renowned professional, George Creel (1920), published his memoirs. In that text appeared the techniques still used today in public information for mass communication; since then, the discipline has also been accused of manipulating public opinion (Myers, 2020, p. 17).

The founding father of professional public relations was Edward Bernays for many historians. He gave a scientific approach to the discipline by using social science to understand audiences (Grunig & Hunt, 1984). In his view, the role of the PR practitioner was to bring the organization's perspective on specific issues to the public. Bernays defines that the role of public relations was to inform and persuade audiences to change their attitude and behavior toward the organization. (Bernays & Ewen, 2011). This generated outrage among many practitioners at the idea that public relations could "manipulate" the "consent" of audiences by forcing certain psychological aspects (Wolstenholme, 2013, p. 12).

### Public Relations as a Discipline

Although public relations is often confused with other disciplines, such as marketing, advertising, and **propaganda**. However, Wolstenholme (2013) states that the definition is simple, "the practice of public relations is to establish relationships with the public (p. 4). Since the early 20th century, organizations understood the value of both internal and external relationships to sustain a social environment of coexistence. A positive communication context generates trusting relationships and allows the organization to develop its activity with the support of different stakeholders (Russell & Lamme, 2016).

**Propaganda**

It is a communication tool to disseminate ideas and values to influence people's attitudes and behaviors.

The role of moderator and manager of relationships has been the fundamental principle of modern Public Relations focused on the general welfare. In this context, one of the best definitions is provided by Rex Harlow when he states that *"Public Relations is a distinctive management function that enables the establishment and maintenance of mutual lines of communication, understanding, acceptance, and cooperation between an organization and its publics. "* (Black 1989. P. 4).

The definitions describing the discipline have a common denominator: public relations is a strategic process focused on "relationship building" (Seitel, 2016, p. 4). Building relationships implies planning, bidirectionality of communication, and respect for audiences. As a strategic process, public relations evaluates audiences' attitudes and behaviors, identifies intervention needs to achieve specific objectives in these relationships, and executes action programs (Seitel, 2016).

One of the founding models of the Public Relations function was proposed by John Marston (1963), who suggested four significant steps in this strategic process:

1. **Research**. Delve into relationship attitudes on the topic in question.
2. **Action**. Define interventions to address the relationship problem.
3. **Communication**. Inform to the audience the decision to achieve understanding, acceptance, and support.
4. **Evaluation**. Measure the impact of communication to analyze the change of opinion.

These steps became known as the RACE model. Over the years, the model was redesigned, weighting one of the aspects above another or generating other steps. In any case, all variations of the RACE model emphasize the action as the core of the strategic process, which implies the adequate planning of interventions to achieve the objectives set.

The relational function of public relations distinguishes it from other disciplines and the corporate communications approach. Public relations is a relationship management process that addresses the state between an organization and its stakeholders to sustain mutual benefit (Ledingham & Bruning, 1998). The following principles underpin this relational function (Theaker, 2016,).

* **Management**. Public relations play an essential role in analyzing intervention circumstances, anticipating situations, and advising on key moments for action.
* **Bidirectionality**. Public relations is a process that allows listening and attending to stakeholders' needs to maintain symmetrical relations.
* **Planning.** Actions arise from analyzing the organization's needs, the impact on linkages, and the consequences of interventions for the organization's objectives.
* **Research**. The context analysis and the knowledge of the relationship’s states allow an understanding of the environment and the problems. This knowledge contextualizes the design of actions to communicate effectively.
* **Responsibility**. One of the fundamental objectives of public relations is to sustain ethical behavior in organizations. This implies fairness in dealing with different audiences and civic duty in decisions (Theaker, 2016, p. 15).

### Public Relations Differences

Corporate communication is a strategic approach that integrates various communication disciplines and processes, including public relations, to develop a solid and coherent image of the organization among all stakeholders. The contribution of public relations, as a communication process, is focused on the management of relational interventions aimed at addressing the needs of stakeholders. In this framework, Kelleher (2020) points out that public relations differs from the practice of journalists by the object of approach. Public relations focus on relations with specific audiences, and in the case of journalists, on generating information for general audiences. Likewise, many marketing and advertising tools and skills overlap with public relations. However, there are three important aspects that establish differences between public relations and marketing interventions: "in its promotion of organizations as a whole, in its communication with all audiences, and in its purpose of building and maintaining mutually beneficial relationships" (Kelleher, 2020, p. 77).

The most notable differences between public relations and other communication processes can be distinguished in the different focuses and objectives of the intervention.

|  |  |  |
| --- | --- | --- |
| Public Relations Differences (Based on Kelleher, 2020) | | |
| **Advertising** | Promotes the brand, products, and services for positioning and persuasion purposes. | It is related to specific audiences that an organization wants to reach with a particular campaign to obtain a specific response from these targets. |
| **Marketing** | Promotes specific products for marketing purposes | It is a strategy that has the purchase of goods and services as its final objective. |
| **Public Relations** | Promotes the organization as a global whole for the purpose of mutual exchange. | The focus is on relationships, not exchanging goods and services. The audiences are varied and heterogeneous, not only the organization's usual stakeholders. The public relations interventions can also target neighbors, legislators, employees, students, volunteers, competitors, voters, taxpayers, disaster victims, veterans, cyclists, etc. |

In today's organizations, corporate communication has become a department that integrates disciplines that had an independent and autonomous development in other times. The need to strategically organize communication interventions generated an area or department that generally depends on the presidency or the organization's highest authority. This area manages the corporate strategic objectives and tactically organizes the interventions toward external audiences through different internal communication tools and organizes the communication with internal audiences through appropriate tools for this corporate audience.

Corporative Communication & Public Relations (Based on Cornelissen, 2020)

Diagrama

Descripción generada automáticamente

### Self-Check Questions

1. Please mark the correct statements.

The fundamental difference between PR and corporate communications is:

* *Public relations is a communication process, and corporate communication is an integrative approach*.
* Public relations focuses on events and press and corporate media communications.
* Public relations is dedicated to exchanging information with stakeholders, and corporate communication is dedicated to designing campaigns.

## 2.3 Historical Development and Milestones

The need for communication has been one of humanity's most complex evolutionary dimensions. Communication in humans is not only about sharing units of information. Fundamentally, what makes this species of mammals different from the rest is that humans share meanings to manage their relationships and generate impacts on behaviors. Some theorists propose that public relations have roots in this basic human need. The history shows different uses, from Acta Diurna as political propaganda in ancient Rome to the uses of the Catholic Church in the 17th century to cope with the emergence of alternative forms of Christianity (Theaker, 2016).

Although public relations go back to time immemorial, the professional history of the modern discipline is closely related to the growth of companies in the world (Myers, 2020). The importance of public relations as an organizational tool emerged from the professionalization of production models, the emergence of mass media together, and the growth of an increasingly urban, literate, and consumer society. Public relations appeared to sustain positive coexistence relations and restore the goodwill of companies in a community (Gower, 2008).

The history of public relations began to take shape from the publication of some iconic texts that reflected the practice of the founding fathers of the discipline (Myers, 2020). As this history was formalized from the practices and experiences of the first public relations agents, these experiences did not always reflect the discipline's ethical and transparent behavior. Public relations agents often appear as professional manipulators of public opinion who lie to cover up unethical organizational behaviors (Russell & Myers, 2019).

In the discipline's professionalization, some key names set significant milestones related to ethical and transparent behavior in relationship management (Grunig, 1984). One of them was Ivy Lee, who wrote the first ethical guidelines for the practice of public relations in 1905, the Declaration of Principles (Myers, 2020). The same Eduard Bernays who created the Public Relations Council that gave the discipline the status of an independent profession (Tench & Waddington, 2020). Another important name was Arthur Page, who worked in public relations for AT&T and created the Arthur Page Society, which gave professional impetus to the figure of the public relations consultant in companies and the definition of ethical standards in this field (Kelleher, 2020).

From the beginning of the last century, early writings shaped the profession and established many of the foundations that are in place today. The Declaration of Principles, written by Ivy Lee in 1905, emphasized the media relations function and transparency as the key to success for corporate relations (Myers, 2020). Scott Cutlip and Allen Center (1952) published one of the first public relations handbooks, *Eﬀective Public Relations.* In this book, they defined the discipline as a management function and established a crucial difference between press agency and public relations. After World War II, these concepts of public opinion knowledge and influence would be the pillars of the discipline for several decades (Tench & Waddington, 2020).

Technological development from the 1970s and 1980s onward gave a turn to public relations, shifting the focus to interaction beyond the influence or persuasion of previous years. For example, one of the significant aspects was the updating of the definition of public relations, in 1982, by one of the international reference organizations, the Public Relations Society of America (PRSA), which defined it as "the process that helps an organization and its publics to adapt to each other" (PRSA, 2022, para. 2). This conception of interdependence was key to the strategic role that public relations play in today's corporate communications. This relationship premise was fed by other social disciplines, giving its theoretical and methodological body an academic status.

History, from its ancestral roots to modernity, shows different corporate adaptations to the same point, the need to organize relationships for specific purposes. "Everything starts from a need for bonding" (Theaker, 2016, p. 18). Today, the modes of relationships are complex, global (for many organizations), chaotic in certain political contexts, and sensitive in certain industries. However, people are still looking for the same thing they did since ancient times, sharing realities and meanings to organize coexistence.

In many ways, the structure of the public relations industry is simple. In modern public relations, some agencies have a general approach to relationships with different stakeholders and through various channels and other very specialized agencies that focus on specific issues, such as health, government, environment, and entertainment. There are also agencies with local coverage in each country and other international networks that serve companies with global scope. Some agencies have diversified their services to research, development of special events, and strategies through digital platforms.

### Self-Check Questions

1. Please mark the correct statements.

What is the common ground in the history of public relations?

* *It is a discipline that addresses the complexity of relationships.*
* It is a discipline that has always been dedicated to maintaining power in organizations.
* It is a discipline born of war to persuade public opinion.

Summary

The need for communication is a human property of coexistence. This has generated multiple ways of sharing meanings and narratives throughout history. Some historians argue that public relations have been part of the management of coexistence among the people. The need for coherent communication arose in organizations from the convergence of two movements: the industrial development that gave public relevance to companies and the social growth in cities that generated new habits. The productive and the demographic phenomena were expressed in the new mass media that boosted this economic-social development and opened homes to new realities and perspectives. These urban and better-educated societies began to form their own criteria regarding companies' social behavior and demand an unprecedented civic responsibility from organizations.

In this interaction between organizations and their audiences, public relations was the first discipline that organized communication to manage the relationships. Early communication managers aimed to ensure that journalists did not tarnish the company's name and advocate positive coverage of the organization's activities. The founding fathers of public relations advocated ethical behavior by organizations, even as public opinion viewed the discipline as a tool for manipulating audiences and public relations practitioners as propaganda agents. Although these factors of manipulation and information fraud organized to hide bad corporate practices occurred throughout the history of public relations, the discipline grew scientifically with the contribution of other social sciences.

As societies grew, organizations faced new challenges, problems, and social interests. New forms of communication, channels, and instruments were developed within this framework with new professionals. These practices developed independently and in a fragmented manner, negatively affecting the brand itself. Thus, corporate communication arose in response to the need for an integrated approach that would provide coherence to a global strategy of interventions and practices.

Corporate communication is a strategic approach that integrates different disciplines with different methods and processes. The responsibility of the corporate communication strategy is to project a coherent image and care for the reputation of the brand or organization. Other disciplines collaborate in this objective, from public relations, conventional advertising, marketing, digital communications, internal communications, and special practices dedicated to specific issues such as lobbying, sponsorship, or change management.

# Unit 3 – Corporate Philosophy as a Means of Corporate Management

**Study Goals**

On completion of this unit, you will be able to …

… understand the strategic dimension of corporate purpose.

… identify the uses of language in the creation of corporate narratives.

… learn the dimensions of corporate culture and its functions.

# 3. Corporate Philosophy as a Means of Corporate Management

## Introduction

There is an inspiring story behind brands that accompany important moments in our lives. Brands represent what someone imagined at a particular moment and to which, generally, they dedicated their lives to achieve it. In many cases, that initial inspiration turns into a company, a project, or a product. In other cases, the inspiration was not enough to generate a solid project and get lost in history.

The truth is that there is no organization without a founding inspiration that became a life purpose. In each product or project, it is possible to trace the purpose that gave rise to it. Many of those purposes generated brands and companies that today are global and powerful giants; other organizations were significant but disappeared or lost prominence after several generations.

The vision and inspiration of each purpose define the horizon of an organization. M&M's is a world-famous candy brand, not only for its products but also for its packaging and representative characters. It is a giant emporium born almost at the beginning of the last century and developed from the 1950s onwards in the United States. Behind this brand is one of the largest corporations in the United States (Gulati, 2022). Mr. Forrest Mars started the Mars corporation in the 1920s (Hays, 1999). However, the company grew significantly from 1947 after Mr. Mars wrote a statement expressing the company's guiding purpose for the coming years, "to promote reciprocity of products and benefits with all stakeholders" (Gulati, 2022, p. 19). Today, this principle is still valid after three generations and has allowed the expansion of this economic emporium. Some historians and journalists consider this corporate purpose statement one of the first documented definitions that served as a reference for subsequent modern corporate visions.

The corporate purpose is an inspiring statement of an entrepreneurial dream and, in addition, a tool that allows aligning the collective work and guiding the dynamics of relations with society. The purpose is also a frame of reference for the organization's social behavior in a market or community. For corporate communication, the purpose is essential to guide the relationship management strategy and the social projection of the organization.

## 3.1 Corporate Soul

After the 2008 global financial crisis, which began in the United States and spread rapidly around the world, financial institutions had a very negative reputation. This situation resulted in considerable difficulty attracting the best GPAs from graduate finance programs in the United States (Greenhouse, 2009). The reason was that the top graduates of prestigious universities did not want to work in places with a lousy social reputation. This valuation generated a migration of human talent toward technology companies because, even with less salary, graduates preferred to work in interesting, attractive, and well-regarded places for public opinion (Meyersohn, 2018).

Izzo and Vanderwielen (2018) comment that managers from renowned international companies related that graduates sought out companies based on prior research that perfectly-identified their goals and purposes in their Human Talent consulting sessions. Managers commented that they met people who were very sensitive about the organization's reputation and purpose. The authors note that "if candidates believe that their company is serious about its mission, they will be more willing to work there; otherwise, they dismiss" (Izzo & Vanderwielen, 2018, p. 18).

Qualified human talent seeks to work for companies with an attractive purpose (Pink, 2011). Altman (2021) states that his research on work motivations revealed three fundamental aspects that define people's decisions: purpose, community, and growth. The author calls this triad "the reasons to get out of bed every morning" (p. 16).

* **Purpose**. This is the essential factor that people look for because it implies working in an attractive place and being part of a project with a meaningful social impact. The corporate purpose is critical because it gives a different dimension to their personal and professional careers. Altman (2021) posits that finding a connection between personal purpose and work purpose is key to motivation and engagement. In this framework, communication plays an important role as a "bridge" that allows sharing of collective goals. Corporate communication creates that shared symbolic space that can inspire people to participate in a transcendent purpose. Many times, communication is transformed into a channel of information on operational and technical aspects and neglects the dimension of integration of personal and collective realities that transform workspaces into spaces for personal development and social contribution (Tuin, 2021). Unilever is a global giant with multiple parallel transformations related to artificial intelligence in many processes to fulfill its purpose. This instance implies a permanent reinvestment and disengagement of its personnel in plants worldwide. However, the company created programs to support people in finding new jobs. According to Nick Dalton, Unilever's executive vice president of HR, the company's objective was "to ensure that 80% to 100% of workers displaced by automation can obtain new internal employment or a comparable external position, or opt for early retirement" (Nair et al., 2022, p. 54). The company has achieved significant results based on an inspiring purpose that provides solutions for all stakeholders involved in the changes (World Business Council For Sustainable Development, 2021).
* **Community**. This dimension is fundamental to strengthening a sense of belonging to a group and an attractive collective project. The community frames people's experiences, symbols, stories, and shared motivations. The community is a group of people; it is a space where people find peers who support personal projects. Altman (2021) points out that companies famous for their cultures, such as Apple, Google, and Nike, “have created a way of life beyond just selling products” (p. 17). Communication is fundamental to sustaining a sense of belonging in an organization, motivating people, containing frustration, and encouraging participation and diversity of ideas. In this framework, corporate communication can bring quality to workspaces through linkage channels that strengthen exchange, diversity, respect, and collaboration (Vedernikov et al., 2020).

### **Growth**. This dimension is related to the horizon of personal development and the conditions provided by an organization to unfold the people's potential at work. This dimension is directly related to job satisfaction and impacts people's performance, commitment, and innovation in daily tasks. According to Manucci (2016), growth conditions that contemplate individual possibilities of fulfillment allow the sustainability of corporate projects. Much of the emotional symptoms of performance are related to corporate restrictions on personal projects. This generates harmful emotional environments affecting the productivity of a group or an organization (Kilduff et al., 2010). Within this framework, communication is vital to create spaces for professional development and processes that allow people to map out a growth path. An attractive corporate growth horizon inspires people and provides a framework for employees to take on new responsibilities, roles, and challenges (O'Brien & Cave, 2017).

Communication & Motivation (Based on Altman, 2021; Vedernikov et al., 2020; Manucci, 2016)

Diagrama

Descripción generada automáticamente

### The Corporate Horizon

In the late 1980s, Richard Wurman (1989) researched 36 U.S. companies for his book *Information Anxiety*. He found that less than 14% of them had employees who could identify the corporate purpose statement; less than 50% could identify to whom to consult the purpose statement; and "many respondents suspected their company had one but claimed it was lost or missing" (Wurman, 1989, p. 132).

The definition of purpose is not simply a speech statement. If it is not implemented in internal processes and procedures, it merely remains as a slogan with no strategic value for organizations. The intentional definition of a purpose can be an important tool for the competitiveness of organizations. However, that founding seed sometimes drowns in bureaucratic processes, unethical behaviors, or inefficiency.

Organizations need a principle as a frame of reference to coordinate their work and drive their response to contextual events. This guiding principle must establish a strategic horizon. It is more than a literary phrase; it defines the organization's vision. Andrew Grove, one of the founders of Intel, was the CEO in 1998 when the company faced the challenge of transforming the strategic orientation of what was already an industrial giant. Originally, Intel was a memory manufacturer and was initiating the manufacture of microprocessors. At that time, the memory market was already highly competitive, and Intel faced the challenge of transforming its purpose and becoming a global microprocessor product. Grove (1998) defines the concept of a "strategic inflection point" as a moment when the direction of the corporate project is about to change, but there is no certainty about the results of this change of direction (p. 65). Facing an inflection point, Grove argues that the only thing that sustains an organization on "the road to survival is a clear purpose about its aspirations." (Grove, 1998, p. 181).

The definition of founders' aspirations is so significant for corporate development that Bouchikhi and Kimberly (2008) describe it as "the soul that sustains the visible elements and frames the essence of an organization" (p. 5). The strength, originality, and inspiration that come with the soul of an organization set the dimension of corporate projects. Izzo and Vanderwielen (2018) state that people should work for a corporate purpose, whatever their function. The function is the formal or legal job description; the purpose relates to the contribution of that role to generate an impact on individuals or the community. The authors comment that in the Disney culture, in the amusement parks, people are trained that whatever the function, they work to bring happiness. "While the role may be collecting tickets, cleaning bathrooms, performing in a show, or being a clerk in a gift store, the purpose of each person's job is to make park visitors happier" (Izzo and Vanderwielen, 2018, p. 121).

All organizations start with a purpose; some last for decades and others die within a few years. Other purposes transform as the organization also changes. In the life of an organization, the purpose can have different functionalities and strategic scope. In this framework, Gulati (2022) points out different levels of organizational commitment in the definition of a strategic horizon.

* **Convenient Purpose**. It is a statement that is not fulfilled. It is usually an idealistic and significant definition, but it does not guide practice in daily life. There is a gap between what the organization enacts and what it does. For example, companies that declare their "commitment to the customer" and have lousy customer service or lack after-sales support, or fossil fuel companies that are not committed to environmental conservation. In these cases, the statement of purpose and communication may be compelling, but this principle is not applied in day-to-day processes or stakeholder relationships. The purpose is used as an advertising slogan, not as a guiding principle of corporate commitment and behavior.
* **Purpose-as-disguise**. It is simply a lie. It is a statement that shows a high level of conviction expressed in the corporate Mission, Vision, and Values, but it is all a facade of deception to society. Behind those imposing statements, organizations have unethical purposes. Bouchikhi and Kimberly (2008) cite the case of Elizabeth Holmes, the discredited founder of the diagnostics company Theranos. Its purpose was "Facilitate early detection and prevention of disease and empower people worldwide to live their best lives" (World Street Journal, 2022). However, the company was a fraud disguised as a cutting-edge technology that deceived people with its health promises. In this case, Holmes faced criminal charges and was convicted in 2022 (BBC News, 2022). Another emblematic case of the beginning of the 21st century was Enron, which initiated a historical succession of frauds (Nelson et al., 2008). The 2008 financial crisis unveiled the unethical maneuvers of financial institutions that generated the debacle of the reputation of banks worldwide (Dell'Atti et al., 2017).
* **Peripheral purpose**. It is a statement that is not invested in and loses strategic significance. It is a statement of goodwill, but it is a secondary issue. These definitions often represent Corporate Social Responsibility campaigns or Reputation Programs, which do not correspond to internal processes and procedures. They only remain as communication campaigns accompanied by isolated initiatives without organizational support. It is a delicate position for corporate communication because it can show something important that is not important within the organization.
* **Inspiring purpose**. It is a statement that becomes the core of the organization's development. In this case, the purpose statement is the frame of reference that defines an organization's "**raison d'être**." The inspirational purpose defines the social role of an organization or company in the community. It gives people a sense of the meaningful strategic horizon they work and contribute (Yang et al., 2021). For Gulati, inspirational purpose "connects employees to the company's soul" (2022, p. 34). An inspiring purpose redefines corporate models without losing the economic principle and the commitment to society (Mackey et al., 2014).

**Raison d'être**

It is an idiomatic expression of the French signifying the fundamental sense of existence and permanence.

In times of turbulent markets and unstable social contexts, purpose gives meaning and orientation to the human group (Grove, 1998). It is a fundamental tool for leaders to align people's efforts and motivations. The purpose is the corporate connection to something transcendent that endures beyond financial results or achievements. Purpose serves as sense-making that shapes actions and priorities (Weick, 2000). In this way, it becomes an organizing principle that sustains leadership and frames strategic efforts and collective participation (Gulati, 2022).

### Purpose and Leadership

According to Schein (2004), cultures have three roots in birth. First, the imprint of the founder(s) is the initial matrix of any organizational project. Secondly, as the organization develops, the learned experiences by the group. Finally, the culture is molded when new leaders join the project and introduce new horizons to the culture.

Leadership is an essential factor for culture because it initiates the project and frames the first values and beliefs that will give sustainability to the organization. Organizations are based on a purpose that gives them existence. In this framework, Schein (2004) points out that the founders are vital to solving the corporate adaptation in the first instances of the organization's life by imposing their purpose on the group to respond to the challenges. "Having had the original idea, they usually have their own notion, based on their own cultural history and personality, of how to carry out the idea" (Schein, 2004, p. 225). After the initial impulse of a corporate project, the leader is essential to sustain the necessary transformations so that the project can continue to adapt to new challenges. In the growth stage, the leader's role is no longer to impose the purpose, but to deploy it in different changes that allow a new life cycle. Schein (2004) states that organizations need to deploy structural differentiations of product, market, geographies, and competitiveness to maintain growth and that "the leader's function is to keep the initial purpose in these different forms of operational differentiation needed by the corporate project" (p. 310).

Growth or change instances challenge the permanence of the corporate purpose because it implies the need to create structural conditions in the organization to sustain the corporate horizon. Otherwise, it will be necessary to rethink the purpose to adapt to changes in the context. In this instance, the leader has a fundamental role in identifying the conditions for change and guiding people to move to sustain the purpose or create a new purpose. Lueneburger (2014) posits that "change leadership is about transforming and aligning an organization through its people to drive improvement in a new and challenging direction" (p. 15).

Heskett (2022) describes a roadmap for leading corporate purposes in different instances of organizational life and expresses it in a few keywords.

* **Simplicity**. Values are the core of a culture. Therefore, they must be present in all day-to-day instances associated with corporate purpose. Simplicity implies three or four values that people can remember and assume in their daily commitment; otherwise, they are perceived as empty definitions unrelated to the corporate purpose.
* **Consistency**. This point implies a correspondence between statements and behaviors. This coherence has much more strength than the argumentative documentation that the organization can deliver because people understand the meaning of the statements associated with the purpose.
* **Presence**. The purpose and values must be part of all instances of daily life. Above all, leaders at different levels must be consistent in their behavior. They must be accessible to people to directly communicate the values and corporate purpose to inspire people directly.
* **Integration**. This point is a crucial factor in incorporating people into the project who are in tune with the purpose. To sustain the purpose, people must identify with the corporate horizon; a significant background is not enough. At this point, the value that counts is the initial attitude of the people. It is important the support and training provided by the organization so that people can collaborate and grow under the corporate purpose.
* **Evaluation**. This point is central to providing objective parameters on the development of the purpose, people's performance, and the gaps that need adjustments in different instances. In the same way, the evaluation allows people to know their performance and be rewarded according to their achievements and objectives (Heskett, 2022. p. 125).

### Self-Check Questions

1. Please mark the correct statements.

What do qualified people value when looking for a space to work?

* *Qualified people value an attractive corporate purpose*.
* Qualified people seek recognition for their professional studies.
* Qualified people seek roles with high exposure and responsibility.

## 3.2 Corporate Language

Before the global COVID-19 pandemic, the corporate world was preparing for the Fourth Industrial Revolution. Klaus Schwab (2016) defined the economic context of this new Industrial Revolution as "characterized by a fusion of technologies that is blurring the boundaries between the physical, digital and biological spheres" (para. 2). According to studies, the social impact of the Fourth Revolution would be much more significant than that of the First Industrial Revolution (Merle & Davis, 2017). This scenario implies a profound renewal of the corporate language that sustains the relationships with the different stakeholders because it will transform the interaction landscape. Even though the effects of the Fourth Industrial Revolution are emerging, Schwab (2016) argued that "it is time to start building an integrated response involving all stakeholders." (Schwab, 2016, para. 1).

At the beginning of the Fourth Industrial Revolution, the COVID-19 pandemic broke out and shifted management and leadership to extreme **complexity**. Under these contexts, the corporate management recovered an acronym developed by the United States Armed Forces to guide it in a new context of global complexity, the VUCA world. At the end of the 1990s, the world entered a new phase after the fall of the Berlin Wall; it was the end of the Cold War period and the beginning of a period of blurred borders. These contexts generated volatile and unpredictable scenarios for U.S. military forces that challenged their abilities stemming from the Cold War binary world. In this new international and unpredictable context, Mack and Khare (2016) describe the acronym VUCA coined with the initials of the four words that represented the global conditions of the new century: volatility (fuzzy rules), uncertainty (impossibility to predict), complexity (interconnectedness and interdependence) and ambiguity (unclear causalities).

**Complexity**

These are situations with many interrelated factors that generate events with unpredictable results.

This VUCA context also impacts corporate communication, which challenges it to renew the modality of relations with different stakeholders that emerge with more demanding interests, ambiguous behaviors, and unpredictable results. In this framework, corporate communication is essential to understand the state of the relationships to bring better contextual conditions for decision-making in organizations. Facing new challenges implies a greater internal and external leadership sensitivity to have appropriate responses to contextual changes and a clear frame of reference to guide people toward new unknown scenarios. Leading in a VUCA world entails innovative ways of solving processes and relating to various stakeholders to create effective responses to contextual challenges (Worley & Jules, 2020).

Schein and Schein (2019) define the process of leadership as "doing something new and better" (p. 31). For the authors, this role has operational implications for improving the quality of processes and relationships in work environments. The authors distinguish between managing and leading in this framework. Schein and Schein (2019) define managing as "being responsible for doing something, sticking to the protocol or making sure everything is done correctly" (p. 33). In contrast, leading is related to rethinking and innovating to introduce what is new in those circumstances. Schein and Schein (2019) point out that some changes may require correction to regain certain competitive status or responsiveness. Others aim at improving specific processes to introduce innovation and better performance. Finally, other changes are radical and transform the nature of an organization and corporate culture.

In an interconnected and knowledge-based world, growth is defined by "the effective management of knowledge workers, rather than the efficient control of physical and financial assets" (Dess et al., 2020, p. 104). In this framework, corporate culture represents a key factor as "the set of talents, capabilities, skills, and ideas that make up the human capital that marks the competitive difference of an organization" (Hatch & Dyer, 2004, p. 1157). According to Dess et al. (2020), investing in a talent culture is necessary to create value in a modern organization. This decision involves attracting and harnessing the human talent of people to innovate in the organizational responses.

### Storytelling

The challenge of corporate communication in a VUCA world is related to the recovery of relationships with different stakeholders under new meanings and coexistence scenarios. The value of the connection is based on a promise with value for stakeholders (Manucci, 2008). The value of a promise arises from what an organization promises and what stakeholders perceive and interpret. The value of an organization, a product, or a service is a perception nurtured by narratives. In this sense, corporate communication must review, reorganize, and update the language of its narratives to give meaningfulness to the relationship in a world of fragile certainties and volatile securities.

People live immersed in stories that explain their daily lives. It has been this way since ancestral times. In organizations, stories allow people to reinforce identification with specific values and nurture a **sense of** **belonging** to a corporate purpose. Stories allow people to share, teach, prevent, and motivate. Therefore, storytelling is a daily practice that sustains coexistence in organizations. Many instances of storytelling are informal; they arise spontaneously in workplaces. In other cases, stories are based on corporate messages that determine people's orientation, belonging, and performance.

**Sense of belonging**

It is a feeling of pride and commitment of workers to their organization.

Thier and Russin (2018) point out that a story must have a structure to share an event in a narrative. An event is only the starting point of a narrative that must be organized into a sequence of events with characters whose actions have consequences for other people's lives. This structure allows some events to linger in people's minds and to be transmitted to others (Czarniawska, 1997).

People share their personal versions of corporate narratives; daily stories are not usually finished or defined. In this sense, the messages that circulate in the organization become strategic because they generate different experiences and work climates among employees. From this perspective, there are two levels of intervention. On the one hand, casual stories without any specific purpose and "stories strategically created and used by managers to achieve specific objectives" (Thier & Russin, 2018, p. 8).

Stories are fundamental to support corporate coexistence within the organization because these shared narratives can "generate greater employee engagement and provide a common purpose and identity" (Dess et al., 2020, p. 269). In this sense, "storytelling allows nurturing and fostering the coexistence of people based on certain shared meanings in the organization" (Conrad & Poole, 2011, p. 238). Multinational 3M is one of the most innovative companies in the modern industry (Coyne, 2001). The significant fact is that it grew from a mining company in the early 20th century in Minnesota to a high-tech company (White, 2020). One of the critical factors is that the company achieved many innovations through enduring product development, even when they were initially experimental failures. As part of this innovative culture, narratives are a vital ingredient of motivation (Van Hulst & Ybema, 2019). In this way, the culture of innovation at 3M is fueled by powerful stories that inspire employees to take risks and transcend the familiar barriers to create new products. One of the most significant stories for 3M is about Francis G. Okie (New York Times, 1975). In 1922, Okie had the idea of selling sandpaper to men to replace razor blades. The idea was a failure; however, 3M did not fire Okie, and he continued working at 3M. This decision led to the technology development, which made possible the sandpaper that the booming automobile industry adopted with great success. Something similar happened with the Post-it Note, which was initially an unsuccessful glue invented by Dr. Spencer Silver and later developed by Arthur Fry, a 3M scientist, for use in hymn books for his church (Mertes, 2021). Even today, 3M company uses these stories to promote the importance of taking risks, experimenting, failing, and re-creating as vital elements of 3M's culture.

A map of familiar and spontaneous stories in organizations addresses the following issues (Martin et al., 1983).

* **Different statuses**. These are stories about hierarchies and how subordinates and superiors relate to each other.
* **Errors and sanctions**. These stories tell of punishments for employee mistakes or faulty procedures that affected the organization.
* **Reactions to unforeseen events**. These stories relate to how employees respond to disruptive situations and control crises such as technical issues, external affairs, and customer service.

In addition to these spontaneous stories where the organization can have minimal formal interventions, there are other stories where the organization can have an essential role in managing and empowering these stories (Martin et al., 1983).

* **Stories about origins or founding**. These stories are known as the "founding myth" in many companies. These are related to the organization's birth, the founder's efforts and vision, and the setbacks of the first time. These stories also deliver the founding values and guiding principles that have remained since the organization's birth.
* **Difficult or sad stories**. These stories talk about failures or defeats after difficult situations or crises that could not be overcome. In general, they are stories that seek to rescue the learning and resilience of an organization to get through difficult times and transmit to employees the spirit of strength and recovery. These stories tend to reinforce internal cohesion and the sense of transcendence of ties (Wilkins, 1984).
* **Stories of resurgence**. These are stories of overcoming. Unlike the previous ones, these stories show the organization overcoming a difficult situation (an internal crisis, a financial situation, market circumstances) and highlight the human resources that made a recovery possible (McColl-Kennedy & Smith, 2006). These stories provide a frame of reference for decision-making and role responsibility in the organization; they are references for long-time employees and new who must assume specific responsibilities.
* **Stories of change**. These stories refer to moments of transformation, corporate turnarounds, or mergers. They generally speak about corporate decisions and demonstrate leaders' vision and people's determination to tackle challenges. These stories provide employees with perspectives on the possibilities and opportunities of the future and give them the enthusiasm to risk new horizons (Denning, 2000).
* **Inspirational stories**. These are usually stories of corporate successes of various kinds. These stories recall "corporate milestones" about certain decisions or projects that culminated successfully after a long effort. They are stories that reinforce the spirit of a given culture and nurture a sense of belonging to a history of achievement and entrepreneurship (Brady & Haley, 2013). These stories are also vital in managing corporate knowledge to share ways of acting, forms of decision-making, and practices that characterize an organization (Zinkstein, 2021).

Orientation of Narratives (Based on Martin et al., 1983)

Forma

Descripción generada automáticamente

Today, storytelling represents one of the most promising modern communication techniques for external stakeholders (Fog et al., 2010). The various ways of using digital media, in particular, offer organizations countless possibilities to establish themselves as brands. Companies are forced to promote their unique characteristics continuously. In this sense, provoking emotions has become increasingly important, and stories are an excellent way to achieve this goal. As facts about products and services have become less crucial in convincing customers to buy a particular product, stories with protagonists that customers can identify with and demonstrate the product's benefits have become more relevant.

Narratives in Corporate Communication (Based on Thier & Russin, 2018)

Diagrama

Descripción generada automáticamente

### Learning and Development

The dynamics of the volatile and unpredictable contexts of the last decades have challenged the response capacity of organizations in multiple dimensions. In this historical context, corporate communication has become a fundamental tool to support collective learning and professional development processes that allow better performance in new scenarios. An organization that maintains its learning dynamics "can adapt to change, foster creativity and succeed in highly competitive contexts" (Dess et al., 2020, p. 342).

Communication is essential in the context of change because it allows framing the meaning of processes, sharing appropriate information, orienting people in new parameters, and keeping in touch with the needs of different stakeholders. Changes inevitably move people from their frame of reference, from their status quo, so it is necessary to quickly address this gap to alienate and support people in the new landscape.

In this sense, to cope with change and sustain creative adaptation to new demands, communication can emerge as an ally of learning and competitive adaptation (Hannah & Lester, 2009).

* **Inspiration and motivation**. Communication provides a fundamental symbolic language that enables a proactive and creative approach to the unknown. Communication is a basic process of creating spaces for participation that allow people to share a diversity of experiences, backgrounds, and ideas concerning complex problems and solutions.
* **Training and coaching**. Communication provides an environment for employees to develop their performance potential by contributing to collective goals. Communication also provides a fundamental tool for leaders to empower people in different roles and functions. Finally, at this point, communication provides resources to generate the participation of people through various processes and procedures that allow the organization to gather the opinions, ideas, and comments of the different corporate roles.
* **Knowledge management**. This aspect is complementary to the previous one because it refers to the distribution of "personal knowledge," not only its acquisition. Likewise, there is knowledge in the organization that has not been generated by formal processes but is the product of the experience of individual people in their roles. Communication can promote exchanging information from different roles and areas, teamwork and collaborative decisions, technological support for the exchange in remote positions on virtual platforms, and the compilation of documents that account for best practices and corporate routines.
* **Information management**. The communication area is a source of information from various internal and external contexts. Likewise, the corporate area or department has a relationship with the most significant number and diversity of stakeholders. Therefore, the communication area contributes to maintaining reciprocal relationships with different stakeholders, analyzing the social climate and the state of public opinion about specific issues, and the situation of employees regarding their work status, among other sources of information. All this contribution allows people to recognize opportunities for improvement and address vulnerabilities to achieve the necessary changes.
* **Innovation and creativity**. No process of change or adaptation is easy for people. Supporting these processes is essential to achieving the objectives of transformation and renewal. Faced with the initiative of change, the first thing that leaders will encounter is a natural resistance from people who will not easily give up their comfort zone (even in situations where this movement is imperative). Dess et al. (2020) posit that some of the barriers leaders face when attempting to introduce relate to "systemic barriers, behavioral barriers, political barriers, and time constraints" (p. 337). Leaders must be willing to move out of their comfort zone. To achieve this, the exchange must provide a framework for collaboration, support, and an emotional approach to situations that generate new processes and unknown results. Communication can support a culture of creative questioning and experimentation as part of the innovation process. Holt et al. (1997) state that innovation entails a great paradox because fundamental advances arise from real failures.

### Change and Adaptation

In October 2001, after years of losses, Polaroid filed for bankruptcy (Deutsch, 2001). Although the company was bought out in July 2002, it took more than ten years to return to the market as a vintage device for a new generation that values instant photographs with particular texture and coloration (Yurieff, 2017). Digital photography (before the smartphone era) had been one of the factors behind the end of instant photography. Polaroid was created in 1937, but "instant photography" was born after World War II and grew in the 1970s. Polaroid was perceived as expensive entertainment; it was not a real photographic machine. It was necessary to enlarge the market of users to give more value to the product. There were attempts by several brands, mainly Kodak, to enter the instant photography market. Polaroid opposed and filed lawsuits that stopped other companies' projects. The isolation that Polaroid achieved was its trap in the 1980s when Kodak began to develop minilabs. People could have quality photos taken by 35 mm cameras within an hour. Polaroid, which had never been able to compete based on quality, was now losing its market on quality (35mm) and speed (the minilab). The final blow was the mass arrival of home computers and digital cameras. Because of its history associated with new technology and innovation, Polaroid was better positioned than the traditional brands to enter the digital photography market. However, it could not manage strategically in the face of contextual movements. Polaroid defended the brand but resigned the market; the strategy of solitude in its category left it without a product category until the end with the arrival of digital cameras (Smith, 2009).

For Manucci (2008), this case illustrates three common mistakes companies usually make when facing a change scenario.

* **Inability to anticipate**. This occurs when organizations are too slow to understand the market's new languages and habits and cannot predict movements that allow them to keep in tune with future changes.
* **Resistance to innovation**. Organizations are locked into their own narratives and cling to an unreal landscape. In this framework, organizations create victimization narratives that do not allow them to innovate and take arguments and justifications to dimensions that do not match reality.
* **Compulsive reactions**. Facing a landscape of threats and victimization narratives, the organizations' responses are survival reactions to sustain their existence without generating modifications that would allow them new living conditions. This survival mode has an initial mobilizing impact on the organization but then demotivates people and leads to permanent failure of corporate attempts at survival (Manucci, 2011, p. 41).

Corporate leadership needs new narratives to deal with new contexts. Manucci (2021a) argues that "organizations must accept the vulnerability of their own certainties to be architects of possible solutions to deal with instability" (p. 450). New leadership needs new narratives to address a world of dizzying change. Schein and Schein (2018) put forward three reasons to think about transforming the language of leadership to connect with people.

* **Context complexity**. This dimension implies a deep interconnection of variables and actors. Consequently, there is no one version of events; there are multiple perspectives, codes, interests, and interpretations of events. Emerging technologies, habits, social changes, political transformations, and new generations of consumers transform the decision-making landscape. A single leader is unable to address the complexity dimension. Leaders who can approach this new world with humility and greater diversity of perspectives will have a better chance of strategically navigating the complexity of events.
* **Management difficulties**. Parallel to the technological progress of recent times, there are profound management problems in articulating communication and work at the speed demanded by the advances of the context. Organizations continue with management models inherited from the First Industrial Revolution. This structural rigidity generates performance problems and discomfort in people because they work under pressure to achieve increasingly unattainable results. Faced with these instances, leaders tend to close themselves to opinions, changes, and style renovations and reinforce management's authoritarian and biased side. This egocentric vision can negatively affect its productivity, organizational climate, and relationships.
* **New generations**. The new generations, since the millennials, are challenging the management of the organizations. They introduce new values, perspectives, and demands and require different responsibilities and examples from organizations and leaders. The new generations have a new language, framed in a different professional attitude from the ruling class, with different communication tools and technology that transform relationships and modes of communication. At the same time, these new generations look to leaders as mentors, not bosses, to be obeyed (Schein and Schein, 2018, pp. 5-15).

### Self-Check Questions

1. Please mark the correct statements.

What does communication bring to the organization in contexts of change?

* Communication provides new digital codes for global exchange.
* Communication provides better resources for developing multimedia campaigns.
* *Communication is an ally of learning and competitive adaptation*.

## 3.3 Corporate Culture

The concept of culture has deep roots with different historical meanings. For example, it was associated with the care of material goods, especially crops, hence the origin of agriculture in ancient Rome. Later, this concept changes, moving from material care to personal and intellectual refinement (Reisyan, 2015). In the 17th century, with the rise of rationalism and the sciences, the term culture referred to artificial living conditions instead of a primitive natural state. This idea derives a meaning of culture to "overcoming the primitive state by cultivation: learning to think and act in the right way" (Nünning & Nünning, 2008, p. 19). Reisyan (2015) refers to the culture "as a construction of human beings, which has effects of collective meaning in the memory and behaviors of people and organizes everyday life" (p. 21). From this perspective, culture is intrinsic to human relationships and coexistence. Therefore, it has always been present in organizations because these too are human constructions. However, the formal study of corporate culture has its roots in the last decades of the 21st century, around the 1980s. These interests arose from comparing productive cultures (Keyton, 2014). By comparing the productive success of Japanese companies concerning American ones, studies showed that there was more than just budget and technology (Ōno Taiichi & Bodek, 2019). Thus began the scientific interest in discovering what was behind the visible behaviors that determined people's performance and what non-visible aspects generated different results among organizations (Pacanowsky & O'Donnell-Trujillo, 1982).

Organizations approached corporate culture intending to intervene in behaviors and attitudes seeking greater competitiveness. The need for competitive responses was due to the emerging global world with new challenges for growth, where the human factor became important as a critical component ofinnovation and service for organizations (Johnston & Bate., 2003).

### The Scientific Approach to Culture

Edgar H. Schein is one of the renowned references in the scientific approach to corporate culture. Schein (2004) defines culture as "a dynamic phenomenon, created by the interactions of people and shaped by leadership behavior, and a set of structures, routines, rules and norms that guide and constrain behavior" (p. 1).

Two fundamental dimensions of corporate culture derive from this concept. On the one hand, culture is a structure that allows the internal ordering of organizations through implicit and explicit life patterns that define coexistence. On the other hand, culture is a frame of reference for approaching events. It is a reservoir of responses that defines ways of acting.

In early 2003, McDonald's had its first significant financial crisis when it recorded its first loss on its balance sheet in 47 years (Teather, 2002). This situation was nothing more than the end of a path of managerial blunders of a corporate culture trapped in its own arrogance. Small and Newton (2014) point out that McDonald's lived the splendor of its entrepreneurial and passionate culture that conquered consumers and its workers in the first four decades. This culture was based on competitive process efficiency, which drove the internal levels of competition to an extreme vertiginous level. McDonald's prided itself on this overwhelming spirit until it began to implode and deteriorate the business, the culture, and the service that had made it stand out. When the crisis hit in late 2002 and early 2003, the corporate culture had run out of answers to renewing the company's competitiveness in the world. Disbelief reached such a point that Wall Street financiers already envisioned its demise (Day, 2003). When the giant seemed to perish, the culture itself changed. The company took an absolute turn in its culture, leaving its introspective and arrogant vision to focus on the customer as the center of the service, which redefined the relationship, the products, the architecture, and services. This new cultural orientation had two axes. "The first was a strategic alignment plan called The Plan to Win that integrated innovation into five business dimensions: People, Product, Place, Price, and Promotion" (Small & Newton, 2014, p. 625). The second axis was an aggressive global marketing strategy that resulted in the slogan "i'm lovin' it" (Knowledge at Wharton Staff, 2003). The culture was aligned globally to satisfy customers more and better, and the company went out into the world with one voice. The company recovered and regained its competitive positioning with a new orientation. Small and Newton (2014) highlight that culture played a crucial role in this turnaround that allowed McDonald's to "move forward after the crisis and harness passion and commitment to transform the brand" (p. 633).

In many aspects, like all human phenomena, culture defines itself spontaneously. It is simply the result of people living together and interacting over time. However, Schein (2004) places leadership as a critical dimension in shaping spontaneous dynamics and establishing unique organizational life patterns. Addressing culture is vital to managing change resistance (Hamel & Välikangas, 2003). Manucci (2008) states that culture determines the strategic capacity of an organization because it provides it with the resources to dialogue with the context. In early 2012 due to many financial difficulties, Kodak stopped manufacturing digital cameras after declaring bankruptcy (Scheyder, 2012). The pioneer company of photography that knew how to dominate its industry for several decades failed to adapt to the most modern technologies, such as the digital camera, paradoxically, a product that the company invented. Kodak was born in 1895, founded by George Eastman, a bank clerk who left his job to realize his vision of developing a simple photographic machine for everyone. Kodak maintained steady growth, and by the mid-1970s, shortly before turning a century old, it had 90% of the U.S. market for film and 85% of cameras, with very similar figures in the rest of the world (Shih, 2016). What happened to a 100-year-old culture to collapse? One hypothesis is that the culture prevented managing change processes that would allow it to readapt quickly to the movement of the context (Lucas & Goh, 2009). The authors state that "customers no longer needed Kodak; they could take pictures with their Sony or Canon camera, download them, and share them through the internet" (Lucas & Goh, 2009, p. 46). Kodak rested its competitive ability on its history, and its introspective view was the trap that prevented it from making the right transformation decisions (Mui, 2012).

Culture has visible and invisible manifestations (Schein, 2004). The visible dimension includes the elements or creations that characterize a culture. For example, the aesthetics of Apple products is a particular characteristic of that organization. Also, visible elements of a culture are the behaviors of those who live in that culture. For example, culture shapes visible ways of acting, such as customer service, hotel, or airline service. The invisible aspects have to do with values, beliefs, **myths**, and implicit rules that subtly order coexistence.

**Myths**

They are founding stories with a special value for the organization because they define its principles.

People tend not to notice or pay attention to culture; they are immersed in a framework of which Schein (2004) recognizes three levels.

* **Artifacts**. This level includes elements and behaviors that are the results and consequences of cultural dynamics. The result can be products, designs, visual identity, the mode of communication, corporate messages, norms, statements (vision, mission, strategy), and traditions (such as "casual Fridays"). The consequences can be behaviors, attitudes, and work climate. These phenomena are visible derivatives of a way of life (ordered or regulated invisibly). Artifacts are the first thing we see or recognize when interacting with corporative culture.
* **Values and beliefs**. This dimension includes the aspirations of a human group. Schein (2004) explicitly defines this dimension as an organization's development ideal. This dimension is closely related to corporate purpose. For example, the pursuit of innovation, transparency, business integrity, quality of services, and hospitality. These values and beliefs are delivered explicitly (through documents or induction processes) and are also transmitted implicitly (in daily coexistence, people subtly incorporate the "ways of being" of a culture).
* **Underlying basic assumptions.** This dimension involves the deep beliefs of a human group. It is an invisible dimension that operates from what is established or naturalized in coexistence. Many spontaneous group situations, repeated over time, become naturalized as real. In this way, visible behavior becomes an invisible norm that determines behavior. Assumptions order the daily life of the group. They are patterns that allow forms of rapid responses. These patterns can have positive aspects (an organization can be resilient in challenging situations) or negative (an organization falls prey to its beliefs in new scenarios). In the same way, underlying assumptions are subtle guardians of culture because they maintain coexistence within specific parameters and sanction those who deviate from established living patterns.

Culture Levels (Based on Schein, 2004)

Forma

Descripción generada automáticamente

Keyton (2011) argues that this multidimensional dimension of culture (composed of artifacts, values, and assumptions) implies a complex web where they cannot be considered separately. The three levels give cohesion and allow the culture to maintain its structure over time. In this framework, the role of communication is central for Keyton (2011) because "culture manifests itself through communication as artifacts, values and assumptions" (p. 121).

### The Role of Culture

Dess et al. (2020) summarize the concept of corporate culture as "a system of values and beliefs that shape the people, organizational structures, and control systems of a company to produce behavioral norms" (p. 268). This definition establishes three essential factors of culture for corporate life: a) it defines what is important (values and beliefs), b) how things are worked or done in the organization (patterns of behaviors), and c) what is approved or permitted in the organization and what is not (forms of control and sanction).

Repeated experiences shape culture in organizations. Altman (2021) posits that "culture is the sum of all the myriad interactions, norms, and behaviors in a company. Culture is also the vehicle through which employees can achieve a meaningful work experience" (p 16). White (2020) posits that successful practices in organizations are transformed into meaningful experiences that are tacitly adopted in groups until they become invisible patterns of coexistence. This invisible order defines the dynamics of an organization. Dess et al. (2020) put forward some fundamental axes of what they consider "the useful purposes of boundaries and constraints" (p. 269).

* **Maintain focus on strategic priorities.** Culture is always a frame of reference to focus transcendental decisions on the pillars that define an organization's "raison d'être." Culture sets the horizon for how far an organization can explore new products, innovate in its solutions, buy or merge with other organizations, and approach new markets or territories. As a philosophical and strategic DNA, culture determines the organization's growth and development (Quinn & Thakor, 2019).
* **Defining interventions in the short term**. In addition to the strategic horizon that guides long-term development, organizations face the daily challenges of immediate decisions. Culture defines the criteria based on these decisions: what to prioritize, give up, and negotiate. Culture is always a frame of reference to find orientation guidelines in the face of moments of volatility and bifurcation points. Manucci (2021b) states that the great challenge of corporate culture is to manage an inspiring development horizon without losing the dynamics of dialogue with the unforeseen events of the context.
* **Effective operating standards**. The corporate culture defines ways of working that make it possible to incorporate and maintain the "ways of doing" the different activities. These operational guidelines can be explicit (written in procedure manuals or instructions for employees) or implicit as patterns that define a human group's acting. These latter parameters usually distinguish a corporate culture; they are the characteristics that make it different from other organizations.
* **Controlling misconduct**. It is a significant aspect related to the permanence of human systems. Culture is the most powerful guardian of coexistence. Whether innocent or fraudulent, any behavior against the rules of coexistence is sanctioned by culture. A person doesn't always need to control what is right or wrong in a group. The coexistence regulations invisibly support this control structure that allows the limits not to be transgressed and keeps the human group regulated.

### Self-Check Questions

1. Please mark the correct statements.

How is culture spontaneously shaped in organizations?

* *Culture is shaped by repeated experiences in organizations.*
* Culture is shaped by the imposition of behaviors of influential personalities.
* Culture is shaped by imitating the behavior of market leaders.

Summary

Every corporate project is born from a formally defined or spontaneous purpose that establishes the sense of an organization in the community or market. The purpose is a guiding principle that frames the development of corporate activity and can transcend for decades. In this sense, the purpose connects the corporate commitment with the community's needs and gives transcendence to the organization's activity. This transcendent sense becomes an essential attraction for the people in the organization because it gives them special meaning to their role as they feel that they contribute to activity with social value. In the same way, the purpose is projected into the image and reputation. This symbolic dimension becomes a strategical factor in allowing a fundamental competitive differentiation for today's organizations.

In the relationships between organizations and audiences, shared narratives are fundamental to nurturing the corporate proposal's value in people's lives. The social and economic context has undergone profound changes that generate challenging internal and external corporate relations scenarios. Shared stories between people and the organization are key to value leadership, sustaining a sense of belonging, and nurturing trust.

Throughout the coexistence, the exchange of people's experiences forms an invisible web of norms and assumptions that frame their daily lives in the organization. These symbolic and behavioral dimensions of coexistence make up the corporate culture that organizes and defines the ways of life in the organization.

# Unit 4 – Corporate Identity in Focus

**Study Goals**

On completion of this unit, you will be able to …

… understand the role of visual aesthetics in the representation of organizational identity.

… identify the invisible dimensions of corporate identity that sustain the organizational dynamics.

# 4. Corporate Identity in Focus

## Introduction

People choose or buy memorable experiences. Thus, when they return to choose unique brands or become fans of specific brands, they seek to recover that experiences (Kompella, 2014). Emotions are automatic responses of the body. Instead, experiences are mental responses involving thoughts, memories, and narratives associated with a situation. (Legrenzi et al., 2011). In this sense, contact with brands will always be framed by specific experiences that take shape through certain narratives that shape their memories (Morin & Renvoise, 2018).

The 1970s and 1980s were decades of marketing explosion because brands sought to create differential audience groups to connect with their products. In the mid-1960s, "the civil rights movement, the sexual revolution, and the evolution of youth culture transfigured the cultural landscape of the previous decades" (Millman, 2012, p. 102). Marketing observed that these affinity groupings were a spontaneous way of bringing people together under common interests. Thus, market segments were born as a strategy to generate specific products for groups with unique characteristics (Belch & Belch, 2017). At that time, Coca-Cola and Pepsi were struggling to differentiate themselves as brands and achieve aesthetic codes that expressed the cultural affinities of different groups. To show the differential flavor characteristics, Pepsi created a campaign where people were invited to taste, blindly, the flavor of two colas and declared which one they liked more. The Pepsi advertising TV spot showed that people preferred the Pepsi flavor in a blind tasting (Millman, 2012, p. 202).

The advertising campaign continued into the early 2000s; however, Pepsi did not exceed 25% of the market (Tejada, 2019). Samuel M. McClure and his research team at the Department of Neuroscience and Behavioral Sciences at Baylor College of Medicine in Houston, Texas, repeated the blind test by scanning the brains of 67 participants (McClure et al., 2004). The study found that, in the taste test, more than half chose Pepsi. This decision was correlated with the brain response that processes the sensation of satisfaction and reward. However, in a second test where participants looked at the beverage brand, 75% preferred Coca-Cola. In addition, when participants discussed the reasons for their decision, other brain areas related to the ability to create stories and memory regions reactivated remarkable memories (McClure et al., 2004). According to the taste test, the results showed that Pepsi should have half the market share. However, consumers buy Coca-Cola for reasons related less to its taste and more to their experiences associated with Coca-Cola brand attributes and the visual aesthetics that support it (Plessis, 2011).

This discovery was one of the first research with sophisticated instruments that showed the neurobiological network of decisions and the emotional determinant of people's choices (Klingberg, 2008). People choose brands associated with a particular story that refers them to unique experiences. In other words, people buy the evocation of an experience or, in the same way, they avoid brands that evoke an unpleasant experience. Since these early discoveries, neuroscience has generated much evidence about the brain's decision-making processes. From these outcomes, brands seek to get to the core of emotions and experiences to connect directly with an evocation that can be translated into favorable decisions (Kostelijk & Alsem, 2020). Brand representation's aesthetic and visual architecture plays an essential role in this framework because it can represent the emotional dimension that subtly attracts people's attention without rational or cognitive filters that hinder decisions (Bridger, 2017).

## 4.1 Visual Branding: Corporate Design

People live with an immeasurable number of brands daily. From the first moment they open their eyes, everything they wear and touch comes from a brand. Some of them are famous brands; others are simpler and humbler. Based on a study by Media Dynamics, Inc. (2014), Johnson (2014) comments that people are exposed to an average of 5,000 brand messages per day through different channels. In this complex framework of a flood of stimuli, organizations seek the chance of visibility through their brands. However, brand visibility is a complex process that not only has to do with the graphic attributes of shape and color. Brands become essential in people's lives when they represent the quality of the relationship with the organization. The brand is the synthesis of people's experience with a product or service. In this sense, the visible elements of a brand do not create the experience. On the contrary, the graphic and symbolic elements make it possible to evoke the experience (good or bad) and define the decisions based on what the person is looking for (reliving the positive aspects of the experience or avoiding the negative aspects of the experience).

Steenkamp (2017) posits three key functions because brands are critical to corporate relations strategy.

* **Brands facilitate decision-making**. First, brands create "shortcuts" in people's minds. Contact with a symbol activates a brain circuit previously traced from personal experience. Therefore, if people already know a brand and have had a specific experience, upon contact with a symbol, people do not need to think, compare, or review information; they evoke their experience and decide. In a place where many brands are on display (for example, in a supermarket), this process is crucial to speed up purchasing decisions without thinking about information or product characteristics.
* **Brands reduce risk**. For better or worse, the brand establishes a person's relationship with an organization because people know what to expect from a brand. In the case of a positive experience, the person seeks out the brand to relive that positive experience; in the case of a negative one, the person avoids contact with the brand so as not to risk further frustration. The brand carries a promise, which may have been explicitly defined or operates as an implicit contract between the company and individuals. People recognize in a brand the fulfillment or non-fulfillment of that contract, which allows it to activate the intuitive reward and punishment mechanism, seek out what satisfies it and avoid what it dislikes. Steenkamp (2017) says that "consumers intuitively understand this relationship and use the brand name as an indicator of product quality" (p. 7). Studies of "taste perception" have shown that when faced with tasting unlabeled products, people often do not distinguish differences or recognize brands through tastes; when they can see the labels, they can describe different tastes (Folkvord et al., 2021). The brand symbol represents a contract; in case of non-fulfillment, the symbol reminds people of the betrayal of their corporate promise.
* **Brands provide emotional benefits**. This is an essential function because brands become a refuge because they accompany people in different moments of their lives. Therefore, an almost unconscious mechanism makes people transform brands into allies or witnesses of certain daily experiences. The brands with the most significant emotional potential are those that propose a lifestyle, not just a product. This makes people choose a philosophy of life, a design style, a personal aspiration, or an aesthetic stereotype, among so many subjective motivations that people assign to a brand. In a market oversaturated with proposals and with a significant invasion of messages, the emotional benefits are increasingly important because they allow a differential connection between corporate proposals when there is no crucial difference between the technical or physical aspects of the proposals. People choose a symbol that represents an experience (Bernstein, 1991). When faced with similar products, people will choose the one that provides them with a more significant emotional refuge (Steenkamp, 2017, p. 6).

### Visible Components of the Brands

The visual presentation of a brand is vital in the perception and recognition of the organization. Also, it is fundamental in the **evocation** of the corporate promise. Culleré (2013) points out that the objective of visual identity is to make a brand known, recognized, and memorized" (p. 115). Foroudi and Foroudi (2021) posit that the deployment of strategically designed and delivered graphic elements generates more effective responses in audiences and "that brand logos with words generate a greater number of cognitive responses" (p. 45). The brand's visual elements include the logotype, the symbol, and the representative colors.

**Evocation**

It is the act of bringing an experience alive through a visual connection with triggering elements.

#### Corporate logotype

This component represents the writing of the name. The logotype "is a name designed in a concrete typographic and graphic form" (Culleré, 2013, p. 122). The logotype refers to the typographic design that expresses the brand name; it is a name that has a visual function. This component is crucial because it is the first element that defines the encounter between the organization and the audiences. Many times, it is the only visual element of representation. For example, the Sony logo that has been in place since 1973 is the four black letters on a white background to reflect "integrity and elegance" that represent the corporate values (Sony, n.d.).

Wheeler (2003) suggests that typography conveys essential elements of an organization's personality, values, and culture. It can express feelings that reflect the character of a company. In addition to the symbolic factors that a typeface conveys, it must first meet two necessary technical premises, recognition and recall (Henderson et al., 2004). Recognition, legibility, or catchiness refers to the visual ease of understanding the text. In many cases, the letters are simple (for example, Apple, Volkswagen, Siemens, Giorgio Armani). In other cases, they have a letter with unique strokes (Coca-Cola, Amazon, Pizza Hut, Ford). Others have strokes that refer to cultural origins widely used in country or city logos (Peru, Barcelona, Bolivia, Mexico).

Typography is the basis of the logo. The logotype involves a combination of typefaces, in some cases combined, in others created for a particular purpose. In some cases, the full name of the organization is presented. In other cases, acronyms (BBC, UNICEF, Renfe) are shown as logos that have verbal sonority as opposed to other logos called monograms that only consist of the initials of the name; for example, LG (LG Corporation), GE (General Electric), YSL (Ives Saint Laurent).

Shumate (2020) says that "typography is like the personal signature on an individual because it is the graphic presentation of a text" (p. 69). Some firms have a conventional stroke with classic typography (Epson, Microsoft, 3M, Gillette, Panasonic). In other cases (Visa, Disney, Pirelli, Bose, Pinterest, Netflix), the typography has exclusive representativeness called denominative signature (Shumate, 2020; Wheeler, 2003).

#### Corporate symbol

This component is the graphic that accompanies the typography. It is a decisive factor because it complements the text and provides more information about global representation. According to Costa (2003), the graphic symbol is a "symbol of substitution of the word, but it possesses iconic and abstract values" (p. 95). In some cases, the symbol is so powerful that it does not need to be accompanied by the name. Its communicative value is instantaneous and faster than the logo because anyone can understand it. This is the case of Apple, the golden arches of McDonald's, the Nike swoosh, the Volkswagen circle, and the graphics of Instagram, Facebook, and WhatsApp, among others.

Argenti (2015) states that symbols are much more important than the company's name because they have a visual impact, i.e., they have a much broader communication capacity than the text of the typography and have greater **versatility** to communicate on different surfaces and media. Often, companies only share their symbol as a sign of the strength of the graphic set. Nike's symbol "is one of the most recognizable logos globally, second only to Coca-Cola's" (Argenti, 2015, p. 94). The Nike "swoosh" was designed in 1972 for $35 (Saar, 2021). Its simplicity and aesthetics were so significant for audiences that Nike decided to remove the name from the visual identification in 1995. Since then, the swoosh has been the company's identification (Saar, 2021, para. 8).

**Versatility**

It is a property of adaptation of the visual structure to different uses, different media, and different surfaces.

Logos can be aesthetic representations of parts of the name (such as the McDonald's golden arches or the FedEx acronym) or simple designs (such as 3M, Samsung, Lenovo). In some cases (Dropbox, Shell, SurveyMonkey, Crocs, Twitter), a pictorial symbol is used, "which is a literal, recognizable image that may allude to the name or maybe a symbol of a brand attribute" (Wheeler, 2003, p. 62). In other cases, the symbol is more abstract with a broader range of interpretation than realistic symbols.

Logotype and Symbol Features (Based on Wheeler, 2003)

Imagen que contiene Gráfico

Descripción generada automáticamente

#### Corporate colors

Color implies a **frequency** of light; therefore, the use of color suggests the use of specific vibrational frequencies that have a particular impact on the presentation of a brand. Aslam (2006) states that color "induces moods and emotions that influence consumer perceptions and behavior which affects the positioning of an organization" (p. 15). Color is an essential resource because the brain initially recognizes color and then identifies the shape before creating an overall stimulus interpretation. Corporate colors are critical because they express the personality of an organization that is present in all visual elements, from its typography to its stores and mobiles (in case the company has vehicles). Wheeler (2003) notes that "color is used to evoke emotions and express personality. It stimulates brand association and accelerates differentiation" (p. 154).

**Frequency**

It is the impact of a light tonality on the visual organs that generates a color representation in the brain.

The use of specific colors implies framing the relationship between the company and the people with a particular emotional framework, more vibrant (warm colors), more formal (dark colors), more solemn (gray colors), and more natural (primary colors). Color is used strategically to highlight some aspects of others, the name, architecture, different business units, product lines, and other uses (Wheeler, 2003).

Shumate (2020) points out that "every visual identity must be able to work in black and white" (p. 192). This means that, beyond the representative colors of the organization, an appropriate design must be feasible to be applied in a black and white contrast so that it is legible in monochromatic forms of delivery. In the same vein, Shumate (2020) posits that, in the integration between typography and symbol, the most remarkable contrast should be in the typography. The reasoning is simple; the signature should be read directly. "A logo is only useful if the viewer has previously seen it. In contrast, the signature must communicate, even to a viewer seeing it for the first time" (Shumate, 2020, p. 193).

One of the important points in using colors is color harmony (Adams, 2017). Harmony refers to the impact of color on the sense of vision. Thus, harmony is the right combination to generate a pleasant perception. Although color preferences are subjective, the study of colors from art provides some guiding principles that allow making appropriate decisions in the projection of corporate visual identity. “Colors generate different emotional responses when exposed individually or with other colors” (Adams, 2017, p. 21). Therefore, colors can be combined to achieve certain visual sensations in visual architecture design. A guide to harmonious color matching involves the following points.

* **Contrast**. It is the integration of opposite colors (e.g., red and green). This contrast generates a stimulating vibration to the eye and is therefore highly legible (Amazon, HSBC, Levi's, Good Year).
* **Split contrast**. A third color is used between the contrasting colors (e.g., a yellow between red and green) to attenuate the difference and generate more subtle aesthetic details (Burger King, Lay's).
* **Double-contrast**. These are combinations of two contrasting color pairs. They are more unusual because they involve a four-color logo. However, one of the most visible cases is the Google and eBay logos, both with four colors.
* **Analogous**. It combines colors within the same chromatic range (red or blue). In this case, there is no contrast of colors; there is harmony in the continuity of shades (Huawei, Instagram).
* **Triadic**. These are combinations of three colors that integrate a very vibrant color as the primary color (for example, red) complemented by two softer colors (blue or green). A less vibrant color can also complement a vibrant color within the same range (e.g., red and purple) with another soft contrasting color (green or light blue) (BMW, Starbucks, Pepsi).
* **Monochromatic**. It is a classic combination when a single color is used and can be combined with shades within the same color (lighter or darker). This structure is seen in the visual architecture of a single color (Coca-Cola, Intel, Apple).

### The Value of the Brand Name

A particular point involves the brand name. Although the name is not a visual aspect (it is a linguistic aspect), it is the basis of the entire visual architecture of a brand. Costa (2003) states that "everything begins with the verb" (p. 93). Corporate names are intangible assets "that the company can use as an important competitive advantage among its competitors because they can summarize the company's reputation and become a valuable asset" (Foroudi & Foroudi, 2021, p. 54). According to Erskine (2017), Coca-Cola led for 15 years the Interbrand brand value ranking with a value of $73.1 billion above technology companies. However, by 2021, Coca-Cola had ranked sixth in Interbrand's ranking (2021) behind the five technology brands led by Apple, with $408.6 billion.

The direct association between brand and attributes is the most significant strategic factor of the name. This connection between a word and a series of experiences defines the value of the name, expressed visually in a whole architecture of symbols and colors. Thus, only a name can convey a series of elements that speak of an organization's philosophy, aspirations, products or services, and social behavior. That is why the power of the word that names the organization is so valuable more than any physical or financial attribute. It is easier to analyze in reverse. Some brands have valuable capital in structure and industrial investments built over decades, and their brands are not worth as much as others that have only a few years in the market.

### Visual architecture

Although the brand's value does not depend only on the visual identity, it plays a vital role in identifying and recognizing the organization in a world oversaturated with messages. In this context, (Airey, 2009) suggests some important points for designing the visual architecture of the brand that represents the organization.

* **Simplicity**. This point is essential so that the visual set can be adapted to different instances of exposure. A simple structure allows the visual group to work well, from personal business cards to large building billboards. Likewise, simplicity makes the design more recognizable and enduring over time because it doesn't need stylistic changes. In 2019, the MasterCard brand changed the classic graphic representation that it had had since 1968 (Snider, 2019). While the brand architecture had been simple (two interlocking circles), the new challenge required adapting it for new platforms. To create the new symbol, "the design team isolated the brand elements down to their purest form (the two circles as a training symbol) to reinforce the message of inclusivity and accessibility" (Wheeler, 2003, p. 265). Simplicity is also achieved by concentrating the elements of representativeness on the most significant feature of the corporate identity to be expressed. Simplicity implies the synthesis of the message and aesthetic style to be projected.
* **Relevance**. This point is related to the connection between the graphic structure and the organization it represents (formal, solemn, innovative, etc.) The visual set must make sense to the organization and the key audiences that relate to the organization. This will allow the graphic to represent the personality of the organization accurately. On the other hand, the relevance of the visual set will enable audiences to identify the organization's character through the graphic representation. The current FedEx company logo results from a reduction made by the company, whose original name was Federal Express (Webster & Carney, 2021). The company realized that people had shrunk the name and took this social use to change its typography, "inserting the famous arrow between the E and the X, which symbolizes speed of delivery, reinforcing the positive message of speed and changing the perception of the brand" (Gains, 2014, p. 183). Many times, visual identity elements follow aesthetic fads. This is a point to avoid because this visual strategy can become obsolete with the change of aesthetic styles in society; or even worse, the adopted fashion aesthetic does not correspond to the organization's identity.
* **Distinction**. The strategic role of the visual set is to represent and differentiate the organization from the rest of similar organizations and to differentiate it perceptually in an oversaturated universe of symbols. In this aspect, two challenges are combined: the visual set is recognizable and expresses the organization's personality. The use of the color range, the typography strokes, and the symbols' complexity must function of these two factors to be quickly recognizable and clear in the message. The distinction is associated with an experience. In this case, the brand invokes an experience of taste (Häagen-Dazs), adventure (Harley-Davison), style (BMW), or social status (Rolex). Ellwood (2002) argues that brand experiences give distinction "by enveloping the consumer in a set of sensations that make the use of a particular product or the consumption of a particular service memorable" (p. 294).

Properties of a Brand's Visual Architecture (Based on Airey, 2009)

Dibujo en blanco y negro

Descripción generada automáticamente con confianza media

### Competitive aesthetics

**Charismatic**

It is the ability to attract and fascinate that allows something to stand out among a series of stimuli.

The creativity of a brand's aesthetics has value if it is aligned with the corporate personality and contributes to the development of corporate objectives. In this sense, a competitive aesthetic is a visual aesthetic that allows differentiation and connection between an organization and its audiences. Neumeier (2003) defines **charismatic** brands "as any product, service or company for which people believe there is no substitute" (p. 22). The advantages of this preference materialize in more significant market share, more value in products, and less chance of being displaced by other proposals or copied by other organizations.

Neumeier (2003) argues that aesthetics is essential for competitiveness because it connects the brand directly to feelings which is vital because emotions generate shortcuts in an over-informed world where there is not much time to compare data. People rely on their feelings to make the right decisions. In this sense, a brand supported by an appropriate aesthetic can give competitive value to an organization. To this end, Neumeier (2003) provides five fundamental principles for endowing the brand with a competitive aesthetic (pp. 27-68).

* **Differentiation.** Neuroscience has shown that people perceive stimuli that stand out from their everyday landscape, which exceeds the perceptual threshold. It is simply a biological defense mechanism to avoid being overwhelmed with information. The brain groups all stimuli into a familiar landscape to operate unconsciously; it only pays attention to what stands out in that everyday landscape. Sight is the gateway to stimuli and the basis on which the brain reinterprets the elements with which we interact. Perception is a construction based on experience, not a detailed record of the features. Therefore, visual elements must connect with people's experiences to be perceived differently.
* **Collaboration**. Brands are not just a set of aesthetically arranged visual elements. Visual recognition triggers the evocation of a relationship between the brand and people. People automatically associate the symbol with the history (favorable or unfavorable) of a brand or an organization. Therefore, to create an experience, visual aspects depend on a series of processes to deliver what an organization promises. It closes the loop between what an organization promises, what people perceive and what is experienced in consumption. This is a dynamic process of permanent management and involvement of the entire organization and external collaborators that make the organization's activity possible.
* **Innovation**. Innovation implies transforming what is known into new solutions that impact results. This means creativity as well as strategy and management. Innovation is part of corporate culture because it involves experimentation and risk-taking; therefore, corporate values must sustain these transgressive attitudes in brands. Creativity is a challenge for brands because it implies going into the known territory; there is a lot of risk and many opportunities to gain recognition in those unexplored spaces. Neumeier (2003) argues that in the world of branding, "creativity does not require reinventing the wheel, but simply thinking in new ways" (p. 51). Innovation implies shaping something new that connects with people; otherwise, originality and innovation remain in contemplation and admiration but without required actions from stakeholders.
* **Dialogue**. Brands are nurtured in the interaction between the organization and its audiences. Brands generate messages and campaigns in a classic communication model and deliver them to specific or mass audiences. In today's interconnected world, the public expresses itself freely and becomes the sender of the brands' messages (for better or worse). The most valuable brands are close to people's needs and anticipate many new habits that can change people's daily lives. Dialogue allows listening to recreate corporate proposals and surprise audiences with new dimensions of the brand or new associated brands to respond to the meanings interwoven in the daily interactions.
* **Renovation**. It is a sensitive point in today's dynamic society. The brand must keep up with the pace of change to move socially parallel to these technological, social, and cultural changes. Until a few years ago, the values that supported a brand until a few years ago may be obsolete in the face of inevitable social changes, new generations of consumers, or simply new aesthetic tastes. Neumeier (2003) considers the brand as "something alive" (p. 68). Companies that can grow in a VUCA context can move dynamically and flexibly, and brands and their proposal must accompany this. Some theorists are more daring and suggest that brands should be spontaneous, without rigid strategies, to navigate a world of change more freely.

Aesthetic Brand Functions (Based on Neumeier, 2003)

Fondo negro con letras blancas

Descripción generada automáticamente con confianza media

In short, competitive aesthetics articulates art (the aesthetic part) and strategic logic (the competitive part). This combination of art and logical strategy will give the brand architecture an innovative and original dynamic to be recognized and valued in different markets. This challenge is a global corporate challenge; this is not just a visual challenge. Competitive aesthetics is not only an attractive visual set; it is the representation of a brand philosophy and values that are expressed in a visual setting. Neumeier (2003) states that a brand is not a logo; “it is a person's gut feeling about a product, service, or company" (p. 71).

### Self-Check Questions

1. Please mark the correct statements.

What is the most significant strategic factor of the name as a corporate symbol?

* Savings in media hiring costs.
* *A global and coherent projection of corporate attributes*.
* Efficient management of organizational crises.

## 4.2 Invisual Branding: Corporate Identity

The origins of Apple Computer date back to 1976 when Steven P. Jobs and Stephen G. Wozniak, both underage youth, set up the lab in the garage of Jobs' father's house in California. They raised their company's first capital by selling Jobs' Volkswagen van and Wozniak's programmable calculator and manufactured the first 50 circuits of the Apple I computer. With the potential vision of the computer business, Jobs sought capital from some industrialists. Mike Markkula, a successful industrialist, joined as a partner of the new company. Apple was legitimized in 1977 and formally became a corporation with Markkula as the only adult present in the company. Jobs and Wozniak had a disruptive purpose for their new company, "a computer in every home." With this vision, they generated a unique identity as an organization that produced a transformation in the computer industry (Johnston & Bate, 2003) and kept the company as the most valuable brand since the beginning of the 21st century (Interbrand, 2021).

Organizational identity is a dynamic and emergent process built as the organization develops over time. Organizations often do not start with a phrase that defines their identity; the founders assume a purpose, and spontaneous day-to-day decisions shape the identity. In other cases, founders and managers define key aspects of the new organization in all its dimensions (Bouchikhi & Kimberly, 2008). Whether spontaneous or directed, identity is reflected in the way of life and a way of doing things (Balmer, 2008). When a company's identity is deliberately defined by its founders, it is explicitly articulated in a corporate identity statement, a mission statement, values, principles, and behaviors (Kapferer et al., 2002). In companies that develop an identity as they grow, the identity is often unspoken and unnoticed. This is a typical process in family businesses that start from an entrepreneurial purpose of one person creating a company that later transforms into a large enterprise.

Identity is the structure that orders people's belonging to an organization. Identity awareness and the need to explicitly manage it often take on a strategic dimension when the company has to deal with unusual events (Abratt & Kleyn, 2012). Identity management makes it possible to make the invisible visible so that people find a clear frame of reference in their daily performance. In identity management, communication becomes a critical strategic process that provides and sustains these foundational symbolic factors in the perceptions of key stakeholders and allows sharing of the strategic core of the organization.

Corporate communication shapes the symbolic elements of identity and transforms an abstract or intangible concept into a tool that directs performance and frames relationships. As Merle and Davis (2017) recounted at Alphabet/Google, most employees can describe Google's mission: "to organize the world's information and make it universally accessible and useful" (p. 136). Similarly, in Facebook, most can recite their mission, "to give people the power to share and make the world more open and connected" (Merle & Davis, 2017, p. 136).

Communication allows transforming a founding phrase, the purpose, into a symbolic structure representing a collective project (Merle & Davis, 2017). Therefore, communication is essential as a support network so that this spirit can grow and guide day-to-day performance. "When the company's management team drives innovation from the top, messages flow throughout the company at all times, and the company's plans and policies are aligned with innovation strategies" (Merle & Davis, 2017, p. 135).

Van Riel (1995) describes corporate identity as a way of articulating corporate philosophy in "an orderly and planned form of presentation to both internal and external stakeholders" (p. 26). In this aspect, communication plays a fundamental role in supporting identity projection to various stakeholders. Corporate identity is essential because it influences the corporate image. Identity refers to "what an organization is," and an image relates to "what people think it is." Image is an interpretation of corporate identity. In this sense, image is not something the organization can control because it is built-in in people's minds. The organization can intervene to manage its corporate identity to project a clear symbolic unity of who it is and its role in society or the market.

According to Birkigt and Stadler (1986), identity consists of four components:

* **Personality**. It is the core of identity because it refers to how an organization defines itself. Personality is the answer to the question "who are we?" and determines how the organization perceives itself. Personality is projected to different stakeholders through different manifestations, from corporate products to client service, and the ways of coexistence and relationships with internal and external audiences. Personality cannot be seen (like a building or a logo) but can be experienced in relationships with an organization. Personality is based on "deeper patterns of meaning and meaning-making of people within that same organization and includes the core values that define it" (Cornelissen, 2020, p. 141). Argenti (2015) points out that the most important thing is the corporate vision that represents, in a nutshell, the personality of the organization. In this sense, Argenti (2015) says, "thinking of the vision as a narrative can help ensure the overall coherence and continuity of the company's vision and the collective messages it sends to stakeholders" (p. 92).
* **Symbols**. These are the visual projection elements of the organization. The most common is the visual identity set of features that graphically and chromatically represent the organization's personality. Visual architecture is also a way of symbolic projection of the organization. Packaging, transports, and uniforms are classic elements of representation. Nowadays, the projection of identity in virtual environments is also essential. It involves the symbolic representation of an organization on the Internet, social networks, and apps. Certain personalities associated with a brand can also be symbols. For example, Michael Jackson was the icon of Pepsi for nine years (Joseph, 2017); George Clooney is a symbol of Nespresso (Moore, 2019).
* **Behavior**. This aspect is a hybrid component between the invisible (such as personality) and the visible (such as symbols) because behaviors result from an organization's culture. What people perceive is behavior in the way they are treated, cared for, and regarded by an organization. This behavior is experienced in relation to an organization's different contact channels. Behind the behaviors assumed by a person in the organization, there are identity patterns (implicit or explicit) that establish "relationship modes," which can be friendly, empathetic, authoritarian, arrogant, or indifferent.
* **Communication**. It is the process through which the projection of identity is planned; it defines the representation of an organization. In this sense, it is necessary to think about communication from a broader aspect than an advertising or marketing campaign. Communication is related to the management of relationships with different stakeholders. It includes advertising campaigns and contact processes, availability of attention, and relationship modalities (Birkigt & Stadler, 1986, as cited in Kostelijk & Alsem, 2020, p. 220).

Identity Components (Based on Birkigt and Stadler, 1986)

Diagrama

Descripción generada automáticamente

In organizations, identity defines belonging to a group or project. People work for a symbolic belonging. Beyond the legal form of the organization and the place people occupy in the organizational chart, people work within a symbolic and emotional context that defines their belonging to a group. In this sense, identity management reinforces the sense of personal identification with a shared project. In organizations, the derivation of belonging is pride, commitment, and collaboration between people. Bouchikhi and Kimberly (2008) comment on the case of a small company in the United States that does not have a large budget for marketing or branding but has an excellent positioning in the market. This is W.L. Gore, the company that invented GoreTex fabric, "which has enjoyed a great deal of free and positive publicity thanks to its consistent ranking at the top of the Best Companies to Work For in the United States and Europe" (Bouchikhi & Kimberly, 2008, p. 19). The result of the sense of belonging manifests itself in loyalty and commitment to the organization.

Cooperation needs a framework of integration that comes from the corporate identity. Therefore, corporate identity guides people's decisions in addition to the symbolic framework of belonging. It is like a mandate that tells people, "this is how we do things here." This statement is transmitted spontaneously, intimately, and supportively from generation to generation. Thus, identity shapes habits and procedures, internal regulations, and standardized processes. Identity shapes individual attitudes and behaviors that influence people's performance. Bouchikhi and Kimberly (2008) argue that, under a strong and clear identity, "people do not need to be told what to do in certain circumstances. The answers lie in their interpretation of the soul of their company" (p. 23).

Identity is an intimate dimension for the organization, unlike the image, which is a public dimension because it involves people's perceptions. People do not relate directly to the organization's identity. On the contrary, they relate to "what they believe the identity to be." In this sense, consumers "establish product differentiations based on their perceptions (on image) not on product characteristics" (Argenti, 2015, p. 90).

Identity management becomes a strategic process as the core of the perceptions that define stakeholders' decisions. Within this framework, Balmer and Greyser (2002) distinguish the following types of identity:

* **Actual identity**. Refers to the current state of corporate identity as reflected in the brand's current behaviors, culture, and activities in the marketplace.
* **Communicated identity**. This is what the organization intentionally transmits about its "way of being" through different media to different stakeholders. This identity becomes sensitive when the real and communicated identities do not coincide. When the organization says or promises something, it does not deliver or does not represent it.
* **Ideal identity**. The organization intentionally defines the dimension of its personality according to the context in which it operates. Thus, after a process of analysis and design, the organization defines "who it wants to be" in a given market or community. The ideal identity results from previous analysis and planning according to the corporate objectives for specific positioning.
* **Desired identity**. This dimension can be defined as the aspiration of the management team. Balmer and Greyser (2002) argue that the desired identity differs from the ideal identity in that the latter arises from a plan, and "the desired one arises from emotions and inspirations that guide the corporate horizon from the vision of the founders or directors" (p. 76).

**Relationship between invisible identity and visible identity**

A brand is a synthesis of the relationship between identity and corporate image. The organization has a particular personality sustained by a corporate culture that manifests in visible behaviors. This personality is visibly projected through symbols and generates relationships through different communication processes. In this framework, Cornelissen (2020) states that corporate communication is crucial to facilitate alignment between the different identities and project a conceptual unity that generates an appropriate image or a perceived identity in line with corporate objectives.

Raposo (2018) says that "corporate identity is an ideology or set of values that results from social interaction" (p. 28). The result of this interaction does not always coincide with what the brand wants to express. Therefore, brand management involves aligning the dimensions of identity in a solid and coherent projection unit to generate an image appropriate to corporate objectives.

The design of visual identity involves the representation of the intangible identity that shapes the personality of an organization. Therefore, "Visual Identity is the visualization of the corporate identity, endowed with strategic sense capable of captivating and fascinating the public in visual perception" (Raposo, 2018, p. 32). In this sense, brand management acquires a fundamental strategic role because it involves a dimension that the organization can control to manage the impact on a dimension that the organization cannot handle, the corporate image. The way the brand publicly projects the corporate identity will be essential for shaping the social image of that corporate identity.

The corporate identity is an intimate phenomenon of the organizational universe; the corporate image is a public universe of the organization. In between these dimensions, the brand plays the role of dialogue between these universes. The brand is a social phenomenon because it is an instrument of relationship for organizations.

Integration between Identity, Image, and Brand (Based on Raposo, 2018; Airey, 2009)

Imagen que contiene Rectángulo

Descripción generada automáticamente

The integration between the visible and invisible identities is a significant challenge in this social context of information saturation, diversity of information sources of varying credibility, and emerging social phenomena that transform relationships between people and companies. The brand as a representation of this integrated management is much more than an aesthetic or commercial resource. Bouchikhi and Kimberly (2008) highlight key functions that enable a strategic integration of identity's visible and invisible dimensions.

* **Recognition**. The visual projection of identity allows a unique identification in a social context of many stimuli. The most influential brands visually display identity in different instances. In addition to the logo and colors, the invisible identity is experienced in the architecture, the way people are served, the stores' climate, the virtual platforms' ergonomics, and the packaging or delivery. Bouchikhi and Kimberly (2008) point out that companies such as Starbucks and IKEA are recognized because they have achieved a unique combination of physical aspects in their architectural design, exceptional product design, innovative corporate values, and unique marketing strategies.
* **Loyalty**. The integration of the visual identity with the intangible identity creates a framework of trustworthy relationships because it gives coherence to the social projection of the organization. People feel that behind the aesthetic appeal, there is a reliable philosophy. Therefore, they choose the corporate proposal again. People choose a safe place and an attractive framework because it gives predictability to their decisions and limits the risk perceptions of trying a new relationship with another brand. In the same way, consistency and trust impact external audiences and influence internal audiences. People want to belong to that identity and proudly wear the company or organization's logos. Thus, the brand generates a strong sense of belonging and becomes an attractive employer in the marketplace (Bouchikhi & Kimberly, 2008, p. 24).

### Self-Check Questions

1. Please mark the correct statements.

How does communication contribute to corporate identity?

* Provides an attractive advertising slogan for different markets.
* Organize public events to raise awareness of the organization.
* *It allows the projection of the identity of different stakeholders*.

Summary

Organizations are a group of people organized under visible and invisible rules and patterns that regulate their daily coexistence. The visible rules are those of each organization's legal structure and the technical and governmental regulations that govern the operation and approval of the specific corporate activity. These visible patterns are generally documented and publicly accessible. On the other hand, daily coexistence generates a series of tacit agreements, and implicit contracts, which create invisible rules of coexistence. This set of beliefs, values, and behaviors, together with the documented elements of the organization, form the core of corporate culture. Beyond the legal structure of an organization or its purpose (profit or nonprofit), the visible and invisible dimensions of culture define each organization's way of being and acting. People work and participate in a particular corporate culture, which establishes the action parameters and emotional frames belonging to a certain organization.

Corporate culture is a fundamental part of an organization's identity and supports its personality, "its way of being," and corresponds to the intimate universe of an organization. The identity is projected through the organization's products, services, or activities through communication and corporate symbols that graphically represent the corporate identity in society. The design of a visual architecture is a central process in the public projection of an organization because it generates conditions for recognition and differentiation in a social universe flooded with information. At the same time, it provides an emotional framework to the relationship, generating emotions that define people's decisions in the organization's presence. The integration of corporate identity (the intimate universe of the organization) with visual identity (the public projection of the organization) generates a strategic unit to sustain corporate activity in the face of the challenges of new scenarios of change.

# Unit 5 – Corporate Communication and Digitalization

**Study Goals**

On completion of this unit, you will be able to …

… understand the audiences' role changes in multi-channel communication.

… analyze the strategic challenges of message management in multi-channel media.

… learn about the new virtual spaces of interaction that arise from multi-channel technological advances.

# 5. Corporate Communication and Digitalization

## Introduction

In the mid-twentieth century, the power of radio generated the habit of the family gathering around the receiver to listen to the day's news. News broadcasting changed dramatically with radio as people gained access to immediate information through the vibrant interpretations of reporters. Television gave a new dimension to real-time news experiences and reporting. A phenomenon that would change the meaning of television news took shape in 1980 when Ted Turner inaugurated the first 24-hour news channel (Katz, 2020). Cable News Network, popularly known as CNN, was born as a very innovative project. Many media analysts did not believe in the viability of an exclusive news channel (Pallotta, 2020). The network had a difficult decade inserting its model until the Gulf War in 1990 when it took significant world prominence by broadcasting for the first time the "live war" (Gilboa, 2005).

From the Gulf War until the first decades of the 2000s, CNN was a model that transformed the presentation of news content and generated replication in news networks around the world. However, new social habits regarding access to information and technological transformations (which have multiplied the sources of information) have once again transformed content dynamics through different platforms. In this context, at the beginning of 2022, CNN launched a new disruptive project (40 years after the creation of the network), CNN+. This project sought to integrate different media in an exclusive streaming news platform under subscription, for which it invested 300 million dollars in technology, personnel, and promotion (Sherman, 2022). In this investment, the network bet on multi-channel communication in a challenging way to attract new audiences. The official presentation of CNN+ took place in March 2022 in New York with a million-dollar show (Koblin et al., 2022, para. 11). However, the CNN+ multiplatform project was canceled within a month of the launch. The new owners of the network, Warner Bros. Discovery, decided not to continue with this project. According to Chris Licht, the new president, "nobody was going to pay for a news channel" (Santos, 2022, para. 7). CNN's 40-year vision that gave it leadership and political power for many decades was undone in one month (Fitzgerald, 2022).

This case is an interesting example to analyze the unsteady dynamics of cultural transformation derived from technological innovations. Multi-channel communication not only implies new technologies to transmit digital quality information in real-time, but it has also changed the consumption of that information and the credibility of information sources.

## 5.1 Challenges of Multi-Channel Communication

On October 30, 1939, New York listeners came to their radios to listen to the evening programs dedicated to playing performances. The consequences of the Great Depression framed the American social context. That space was their channel of contact with the entertainment that gathered the family around the living room. On that October night, in the middle of the performance of a Columbia Broadcasting System (CBS) classic play, the transmission was interrupted to broadcast the news about an invasion of Mars inhabitants to Earth. The 12 million people who heard that bulletin fell into panic (Moya, 2013). The streets collapsed, police stations began to deploy on alert, and the city of New Jersey, where the news announced the landing of the Martians, was terrified. People were calling the police and radios to report the spacecraft sighting. After the first 49 minutes of the invasion broadcast, the station announced that it was a fiction created by a young man named Orson Welles, who along with the Mercury Theatre on the Air company, had made the fiction a shocking event (Klein, 2019). This was one of the first historical episodes that transformed the meaning of mass media and the extent of its influence and impact on society. Listeners at that time faithfully believed the media, accepted their version of events, and did not hesitate when hearing about an invasion. The concentration of media and voices in a few informative sources generated an effect of verisimilitude, which Orson Welles, perhaps innocently, unmasked with that radio episode (Tonguette, 2018).

The fragility of credibility nowadays is directly inverse to the trust that existed at the time of that Orson Welles broadcast. The availability of technology to tell stories or generate news today is available to everyone; it is not necessary to belong to a reputable broadcaster to be considered a reliable voice. In this sense, the impact of multi-channel communication is not only technological; the impact of multi-channel communication implies new codes, a different creative aesthetic, and new ways of relating to information sources. In this framework, one of the most significant strategic challenges for organizational communication is articulating its media strategy, creativity, and messages to project a reliable public image.

### Message Design and Management

Digital media have generated a profound transformation in advertising creativity, implying new challenges in message planning and management (Kelley & Sheehan, 2021). Classic media strategies involved a few pieces (radio, TV, and newspapers) with a single message and a uniform aesthetic. In contrast, digital media generated diverse users with different ways of relating to content, interests, and connection platforms (websites, social networks, apps, and streaming, among the most used). The fundamental change is that "advertising went from being a monologue to a process of dialogue, which transformed the meaning of communication planning" (Kelley & Sheehan, 2021, p. 15). In the new digital communication channels, organizations do not have total control of the messages because users reinterpret, comment, and spread their own interpretation of messages and create their own messages about an organization. Therefore, the end of the process in the classic campaign (placing the message in the medium) is the beginning of the multi-channel campaign. The second part of the multi-channel strategy involves dialoguing with users in different channels to manage the impact of those messages and mitigate misinterpretations that can affect the brand.

One of the direct consequences of this change in the multi-channel management model is that new technical profiles that were not previously required in the design and management of communications are needed to sustain the dialogue in different communication platforms. Starting with something simple, all organizations have their own website, which implies programming and computer security technicians to share information and secure transactions with people. In addition, almost all organizations have their own social networks, which are media where they participate with different messages or activities. These media involve new skills in planning, design, and even copywriting from **SEO** tools. Therefore, to have a creative, attractive, and reliable aesthetic, there are technical requirements in the planning and design roles because professionals who previously did not have much involvement in communication, such as engineers, programmers, and 3D architects, are needed.

**SEO**

It is a search engine positioning strategy through the identification of appropriate keywords.

The management of messages on different platforms involves new processes and control indicators. In the digital world, everything happens in real-time. This means that audience feedback is immediate, and changes are speedy. Organizational reactions must be more dynamic and precise because errors become viral and multiply exponentially. This requires a much more active "do, control, and change" process than before digital advertising (Kelley & Sheehan, 2021, p. 18).

Technological advances have allowed organizations to have their own media, which are their social network presence, websites, blogs, and applications. These media, where the organization controls its messages, generate a network of interaction that facilitates new spaces based on user recommendations or redirections of these messages. These spaces where messages are redirected or go viral are the earned media that arise from the content people contribute about the brand or the advertiser's message when it is shared through social media (Rodgers & Thorson, 2012). As a result, people become advertisers by commenting or sharing. The most critical factor of earned media, and hence its strategic management importance, is that they are free communication channels that can be used to leverage a strategy. This also makes earned media a sensitive space because people can use it to defame a brand. For this reason, many earned media are managed by paid advertisements, such as **influencers** who provide comments not from the brand's version but a personal speech. These new modalities of content management in new channels generated a transfer of investment to the digital world of two-thirds of the total money, particularly mobile advertising and messages produced by influencers on social networks (Levin, 2019).

**Influencer**

A person with a large social media followers and credibility on a certain topic who is hired to promote a product or brand.

In the strategic articulation of different communication channels, Andrews and Shimp (2017) propose different characteristics to be considered in the planning of message delivery.

* **Own Media**. These are the media that the organization controls, such as its website and social media channels (Instagram, Facebook, Twitter, LinkedIn). In addition to direct control of message delivery, the organization can establish a direct dialogue channel with audiences. The advantage of owned media is that there are no quantity constraints or aesthetic restrictions for delivering a message. Instead, the organization can integrate its different channels in an innovative way by articulating messages with digital activities or dialogue channels. However, in situations where the image or reputation of the organization is under suspicion, these channels may be perceived as not credible by specific audiences who turn to other channels to learn about the organization and share their experiences about their relationship. With the advance of these media and the growing demand for management, organizations tend to hire companies dedicated to social networks; at this point, the organization must be careful not to lose control over its messages and communication criteria.
* **Paid media**. These are the channels in which a broadcasting space is contracted, such as television channels, newspapers, and radio stations, including paid advertising on digital channels such as social networks or search engines such as Google. In these channels, advertising messages are associated with content (program, time segment), articles, or keywords. In these channels, organizations can control the message's content and measure its impact (according to the media type). On the other hand, they are expensive media, primarily traditional media. Also, some media, such as newspapers or television segments, have been losing audiences. In some cases, some messages delivered through paid media may not be credible to people because they are precisely contracted media. In all cases, in paid media, a special production of messages is necessary. But the advantage of multi-channel integration is that these productions can be delivered in different paid media (TV, YouTube, Google) and own media (corporate social networks) to achieve viral distribution.
* **Earned Media**. These communication spaces arise from people's actions sharing, and viral content from different sources; audiences become the senders of the messages. Therefore, corporate messages are always framed by the subjective perceptions of the people who share content taken from paid media, corporate media, and other earned media (when they share something from social networks). If the organization has positive support, it may be more credible than other media types. For example, the organization can establish relationships with people who become spokespeople for their messages, such as influencers or celebrities, to leverage their messages. However, the quality of earned media presence cannot be fully controlled, and loyalty can weaken in certain situations. Also, the effectiveness of earned media cannot be measured because they do not respond to controlled processes (Andrews & Shimp, 2017, p. 10).

Different Types of Communication Channels (Based on Andrews & Shimp, 2017)

Dibujo en blanco y negro de una persona

Descripción generada automáticamente con confianza baja

The deployment of channels also implies a different modality of contracting communication or promotional spaces for organizations (Belch & Belch, 2017). Digital channels involve paid spaces (such as traditional advertising) within channels with other content (such as online newspapers or content sites) and owned media where organizations can deploy their own content (such as social networks).

Historically, the objective of communication was to express the brand through a compelling message through a particular aesthetic in the appropriate media. People did not distrust the message unless the corporate promise was not personally fulfilled; this dissatisfaction or frustration was often confined to a personal experience. Today that personal frustration becomes a message that becomes a public issue through social networks. Technology has transformed the brand's communication spaces and changed users' habits. This change can also be an opportunity for corporate communication to use technology to integrate classic spaces (such as traditional channels) with new digital channels to develop content, activities, promotions, and tools that allow addressing relationships with users more broadly and attractively (Yakob, 2015).

Integration of Different Types of Communication Channels (Based on Yakob, 2015)

**Diagrama

Descripción generada automáticamente**

### Changes in Interactions

The development of new communication technologies generated new communication channels through the spaces that opened up on the Internet and, later, on social networks. In the early stages of the development of digital channels, organizations maintained a classic communication model inherited from the mass media, i.e., unilinear communication. Organizations incorporated the website as an official information channel and other platforms available at the time, such as blogs, virtual press rooms, institutional videos (YouTube, DailyMotion, Vimeo), or search engine ads (Yahoo, Google). In any case, communication always had one source that distributed a message controlled by the organization. This message management strategy is known as Web 1.0, an initial stage of communication that involves adapting new technologies to a classic model (Belch & Belch, 2017).

With technological development, a new possibility arose for people. Usually, communication audiences were considered the end point of a process; with the development of new technologies, users could interact with the media and become sources of information. As a result, social media's evolution and technology's development allow interaction and participation. This new perspective was called Web 2.0 and referred to the second generation of services that allowed people to collaborate and share information. Carter (2007) argues that Web 2.0 is "about relationship building because sites are social, users interact with each other, and companies can interact directly with their customers" (p. 183).

Anthonissen (2008) argues that the difference of Web 2.0 is that in previous decades the Internet was about delivering information. "Today, the Internet is about collaboration and participation; the core of Web 2.0 is the connection, and this transformation changes the communication process" (Anthonissen, 2008, p. 170). The distinctive feature of these interactive media is the high levels of user participation, which encourage openness and conversation.

Technological development also transformed access to multi-channels. The traditional access to digital channels was through personal computers for decades. This habit was transferred to phones as the most used device for multi-channel access. Belch and Belch (2017) define mobile devices as "the third screen" that is annexed to the classic TV screen and the PC monitor (p. 21). According to (Koltun, 2022), in 2021, "consumers globally spent 3.8 trillion hours on mobile in 2021, with 70% of that on social and photo or video apps" (para. 2). This new habit generated that in 2021 "consumers are migrating their attention and wallets to mobile as over $320,000 flowed through the app stores every minute of 2021, an increase of nearly 20% from previous records in 2020" (Data.ai, 2022, para. 2).

User access and interaction with multiple platforms generated an exponential increase in advertising investments in multi-channel platforms from an expected investment of $61 billion in 2018 (Belch & Belch, 2017, p. 22) to $492 billion, with a forecast for 2022 to exceed half a trillion dollars (Cramer-Flood, 2021, para. 2).

Web 2.0 facilitates a high degree of connectivity that allows users to interact with others without restrictions (Percy, 2018). While these new interactive spaces increased the possibilities of multi-channel communication, at the same time, they generated two significant challenges for organizations: the vulnerability of the brand due to **fake news** and the speed of spreading of such unfounded content (Iezzi, 2010).

**Fake News**

These are false messages that take the structure of a news item but are intended to misinform or spread a rumor.

Belch and Belch (2017) point out that multi-channel communication implies new strategic objectives for organizations that allow "creating a brand image and developing a more direct and involved relationship with customers through engagement with the brand" (p. 501). In this sense, the strategic use of multi-channel offers new advantages for corporate presence in different audiences.

* **Target corporate presence to specific audiences**. This is one of the competitive cores of digital media that allows any organization to reach all corners of the world at a low cost. Unlike traditional media that involved very high production and hiring costs, communication through the new channels allows to approach more specific users, interact with them and get feedback on interests and concerns.
* **Generate interest in the corporate proposal**. Whether a company or a nonprofit organization, multi-channel communication allows it to develop different actions, from classic advertisements (video or graphic) to activities, contests, promotions, live broadcasts, and conferences. This makes it possible to show, share, and interest audiences in the corporate proposal (whether product, service or government initiative) in an innovative way that generates direct experiences among recipients. Taking advantage of viral conditions allows an organization to develop content that resonates with people and goes viral quickly, exponentially increasing the reach of its communication at no cost of delivery and adding people as allies of its proposals.
* **Provide adequate information and attention to users**. One of the most significant aspects of using phones as a daily tool is simply accessing all kinds of information. Organizations can provide content and facilitate procedures for all types of interactions and needs. Through the different integrated channels, it is possible to offer new services, customer attention, institutional processes, and the submission of specific documentation.

Differences in Interaction Modalities (Based on Anthonissen, 2008; Percy, 2018)

Interfaz de usuario gráfica, Aplicación

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### Multi-Channel Marketing

The development of multi-channel communication also grew along with multi-channel marketing that supported sales strategies through different channels: traditional stores, own e-commerce sites, marketplaces (eBay, Amazon), home delivery, and takeaway. The possibilities for combining communication, marketing, and sales channels grew steeply during the COVID-19 pandemic years and generated expertise, technological resources, and logistical developments that companies integrated into their post-pandemic strategies. According to a McKinsey and Company report (2022), in 2019 (pre-pandemic), retail e-commerce accounted for 25% of U.S. sales; with the pandemic, this number grew to between 40% and 60%. In this sense, McKinsey and Company's (2022) forecasts indicate that these behaviors will remain at 50% for years to come (para. 5).

Hua (2019) argues that multi-channel marketing "targets consumers in different segments, or different needs to sell the right products in the right way and the right place at an appropriate price" (p. 275). In this framework, communication strategy is integrated with business strategy (in the case of companies) or institutional strategies (in the case of nonprofit organizations or governments) to achieve consistency of content and proposals across different communication platforms. Channels with different purposes can segment the messages of the same brand: promote sales, create a broad brand image, deliver discount codes, promote a home delivery service, redirect users from social networks to e-commerce platforms, or drive users to stores or shopping malls on days of low demand. Under the same content strategy, the diversity of channels makes it possible to deliver specific details according to the organization's goals and expectations or interests of the user audiences.

While multi-channel communication entails multiple screens to deliver information (TV, computer, and phone), this situation causes users' attention to be scattered. The cycle of user interest is not linear but "riddled with instances of distraction because people check their screens simultaneously without coherence and predefined path" (Rowles, 2017. p. 12). In this sense, Rowles (2017) posits the user journey from unawareness to purchase intent or loyalty to a brand or organization as a "messy journey with different stages and challenges" (p. 18).

|  |  |  |
| --- | --- | --- |
| User Journey by Multi-channel (Based on Rowles, 2017) | | |
| **Navigation stage** | This is a stage of ignorance or superficial attention to certain interests. In this stage, people browse through their screens without specific intentions about a particular brand or organization of interest. | The strategy at this stage is to understand behavioral patterns, interests, and codes to define the appropriate channels, designs, and messages. |
| **Focus stage** | This is a stage where people refine their attention and intent. In this way, the mass audience becomes a specific group interested in the corporate proposal. | The strategy aims to provide content that drives and supports people's decisions. Strategic decisions imply the definition of contents to interest, explain, attend and reinforce people's decisions. |
| **Loyalty stage** | At this stage, the relationship with target audiences is consolidated. This state makes it possible to generate actions to sustain the interest of those with whom a connection has been built because they can be easily distracted by other proposals. | The strategy at this stage is to consolidate relationships with captivated audiences, sustain interest, focus attention on their interests and create new forms of relationship. At the same time, these resources are used to create new campaigns or processes to incorporate more people into this stage. |

### Internal Multi-Channel Communication

The COVID-19 pandemic generated an abrupt development of digital multi-channels due to remote working conditions under confinement. Many organizations adopted this new work modality with a hybrid conception, which does not mean utterly remote work but is complemented with attendance to corporate spaces. This is new territory for internal communications. According to an AT&T study on the future of work in the United States (Kelly, 2022), most companies prefer the hybrid option; however, "72% of them lack a clear strategy compounded by feelings of threat, lack of innovation, insufficient oversight and cultural changes" (Kelly, 2022, para. 5).

Hybrid corporate cultures imply a challenge for internal communications due to the exchange of people working in unconventional spaces and times. For Manucci (2022), this hybrid space emerges "from the interaction of parallel individual realities, where time is no longer linear, and workplaces can be framed in different environments" (p. 2). According to Gratton (2022), redesigning interaction in organizations where people work from different places and times involves "identifying key jobs and tasks and increasing the drivers of productivity and performance for each of these aspects" (p. 23). Tavis and Lupushor (2022) posit that hybrid work maximizes employee productivity and work experience through workplace arrangements. However, they argue that "organizations are in a transition process for which there are no clear recipes because each culture will adapt its interaction channels to its needs and possibilities" (Tavis & Lupushor, 2022, p. 108). The Work Trend Index (2021) report outlined the first points for integrating new channels for hybrid interaction. The most important factors for redesigning new workspaces were framed by "empowering employees for flexibility, creating a technological bridge between the physical and digital world, avoiding digital saturation, creating support networks and accompanying the transition experience" (para. 40).

Two channels of communication come into play in the integration of a hybrid organizational culture.

* **Synchronous channels** allow simultaneous communication between people, even in different spaces. The most commonly used are videoconferences, internal social networks, apps, and instant messaging.
* **Asynchronous channels** support non-simultaneous content sharing; people can access these contents at any time and maintain an exchange at different times and from different spaces. The most commonly used are podcasts, online videos, tutorials, collaborative sites, corporate blogs, online surveys/evaluations, and digital signals/screens.

Modality of Interaction in Different Channels (Based on Robinson, 2021)

Diagrama

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The risk of implementing various multiplatform internal communication channels without strategic integration is information saturation and dispersion of attention and energy from the performance focus. According to ClearBox Consulting (Robinson, 2021), "a multi-channel internal communication implementation should contribute to better work performance and not be a bureaucratic process burden" (para. 1). Among the fundamental needs for new internal communication channels are four pillars: sharing news and information, a platform for employees to talk, a space for community and participation, and resources to simplify the tasks of each role (Robinson, 2022).

A multi-channel internal communication strategy design can take two approaches (Allman, 2021). First, organizations can have a user-centric implementation approach, starting with job roles' needs and defining behaviors and skills to create a multi-channel communication platform. The second approach is technology-focused and involves designing a multi-channel interaction environment and then adapting practices to the new technology structure. Although both strategies are valid, they involve different implementation efforts, "where the second instance will involve more effort in managing technological change than in the first approach that starts from people needs" (Allman, 2021, p. 52).

### New Spaces for Interaction

One of the significant challenges of multi-channel media is the creation of new spaces for interaction. Digital media evolved technologically, independently innovating audio, video, and image processing. Today, multi-channel could be integrated into new interaction landscapes, some of which can be combinations of the real world and the virtual world (on the Internet or in an app) or absolutely virtual as immersive realities.

In mid-2016, a rare social phenomenon was seen in New York's Central Park and began appearing in many places around the world, with thousands of people pointing their phones at the surrounding landscape. These people, mostly young, searched and hunted for Pokemon characters (Palazuelos, 2016). This phenomenon was generated by the Nintendo company that launched a free augmented reality game superimposing virtual characters on natural landscapes for the first time. This game was a remake of a Nintendo product from the 1990s; the new version was focused on the interaction between real and fictitious worlds. This phenomenon generated new trends that opened the world of multi-channel communication to create new spaces for interaction between organizations and audiences for entertainment, general information, and brand promotion (Druga, 2018).

**Virtual reality and augmented reality**

Virtual reality is a simulated space that people can access through devices that immerse them in that reality. These devices stimulate vision and hearing to create an effect of presence within these virtual landscapes. These simulated contexts allow "immersing users in an environment or perspective safely, cost-effectively, and in less time than would be physically possible" (Dalton, 2021, p. 8).

The prominent use of virtual reality in communication is to enable user experiences that would be physically difficult or impossible due to time, space or cost. For example, virtual reality is used to simulate shopping scenarios, consumer situations, travel to unknown places, and visit a factory or a tourist site (in the present or the past). Virtual reality is one of the first technologies to transform traditional communication relationships because it leads users to alter their perception by immersing them in a space that is not real but is experienced tangibly. According to Szymczak (2019), these technological innovations "set the basis for creating a completely new field of communication and content delivery, as well as an innovative approach that considerably facilitates the flow of information" (p. 65).

Augmented reality is another technology where multi-channel communication is integrated to generate, as its name suggests, the over-dimension of an aspect of reality. In this space, the user interacts with simulated elements that overlap with the real world, creating a mixed landscape. This is achieved by "augmenting an aspect by superimposing virtually created scenes or objects on real scenes obtained through an image" (Hua, 2019, p. 340).

In communication, one of the first augmented reality applications is the QR code as a bridge between real content (e.g., a poster) and access to virtual content (e.g., images, characters, data, or mock-ups). The development of first campaigns began in 2008 and continues to evolve in line with technology that allows for faster and more efficient data processing. Another of today's most outstanding uses is related to geotagging, which makes it possible to superimpose a specific landscape with a series of virtual information. This communication resource is often used in association with a mobile application. For example, the Stella Artois brand created the Le Bar Guide application, through which it could access levels of information that were added to real scenes of buildings and places (Lacy, 2013). This technology today is accessible not only to companies for marketing purposes but also to organizations such as museums, hotels, and governments that can integrate information and entertainment content with the mere exposure of an imaging device to a scene with a geolocation tag loaded with data.

One of the latest advances in augmented reality is the integration of virtual realities into physical realities, not just data and information. This involves 3D virtual realities entering the real world. Users can take pictures of their home, body, and landscape and summon virtual objects to define the decoration, clothes, and scenery. In addition, people can buy or design new realities by integrating the physical and virtual worlds. For example, IKEA partnered with Apple to create an application that allows people to test furniture directly through their phones. Through the app, people can try out furniture from the IKEA catalog, move it around, match colors, and test designs from their phone screen (Domínguez, 2022).

Augmented reality can integrate multi-channel communication with multiple uses (Romano et al., 2020). These new integrated channels imply new relationships and provide unique experiences to access specific product and service information, test designs or test products, entertain and shop in virtual environments, and generate much more sophisticated after-sales services (Multidots, 2020, para. 16).

**Metaverse**

The metaverse is an evolution of the interaction of physical realities and virtual realities because the metaverse experience is an immersive experience. This means that the physical world enters into virtual worlds. According to Dummies (2022), "the metaverse is a simulated, immersive world shared among large groups of simultaneous users; it can be entirely virtual, or it can exist as layers of virtual content superimposed on the real world (an augmented metaverse)" (p. 14).

In the metaverse, converge the previous virtual reality technologies, augmented reality, plus other new technologies that generate Web 3.0 (more immersive), blockchain, cloud computing, and 5G networks (Hackl et al., 2022).

The metaverse has three distinctive characteristics concerning virtual reality and augmented reality: corporeality, interactivity, and permanence (Martín Ramallal et al., 2022).

* **Corporeality** implies that people enter the virtual world as an avatar, i.e., they lose their physical dimensions and assume a virtual body with characteristics that can be adjusted to the user's requirements.
* **Interactivity** implies manipulation of the virtual world and realistic interaction as if the person were in the physical world. The higher the level of interactivity, the more realistic the simulated world.
* **Persistence** implies a dynamic simulated world, i.e., one that remains evolving beyond a person's actions. It is like real life, where events run their course, and people sometimes interact with that simulated world. Therefore, people also live the consequences of a "living" world and events that happen due to other chained events (Martín Ramallal et al., 2022, p. 92).

This virtual universe is in permanent development and whose technologies impact multiple aspects of corporate relationships. The reach of the metaverse is already impacting the economy with the development of cryptocurrencies, online gaming, entertainment, artistic production, work processes (virtual offices), and human-machine interaction.

Multi-Channel Integration in New Virtual Spaces (Based on Martín Ramallal et al., 2022; Hackl et al., 2022; Hua, 2019)

**Interfaz de usuario gráfica

Descripción generada automáticamente**

### Self-Check Questions

1. Please mark the correct statements.

In what ways does the role of audiences change in multi-channel media?

* People trust organizations because they have more creative messages on social media.
* People prefer to keep their information in traditional media and entertainment in the new digital media.
* *People become senders of messages that they share through different digital media*.

## 5.2 Outlook: Trends and Developments in the Age of Digitalization

Communication has been present in humanity since people began to share their daily tasks. At first, in a rudimentary way, through figures in caves. But from the moment human beings began to walk on two legs, the brain reached a new level of sophistication that allowed symbolic processes (Damasio, 2019). Cave paintings were the first means of communication, and those incipient drawings were the first messages (Lidz, 2019). Since ancestry, communication has been a process aimed at sharing meanings and is part of our essence as a species. Other species have communication processes, but the difference with human processes is that people's meanings are symbolic constructions that arise from social and cultural codes (Manucci, 2019).

Communication is a process that allows sharing of meanings, from petroglyphs to social media messages. The core of the human essence has not changed, "shaping everyday life meaning to manage the emotional impact of events and create emotions in others" (Gazzaniga, 2009, p. 103). The ways of sharing symbols have changed, and languages have become more complex, but we are still looking for ways to influence others (Kenneally, 2020). In the same way, communication is the bridge between the meanings that companies and organizations share with their audiences. In the first decades of the 21st century, these relationship modalities have undergone many more changes than in previous centuries (Bachmann, 2021). Therefore, new communication challenges arise for organizations because they must create new "bridges" for a society with sophisticated, multicultural codes deployed all over the planet. It is a society overloaded with information, more skeptical of the mass media about the last century, and much more active in exchanging messages through new modes of interaction.

### Global Codes

Globalization began as a process of international exchange that had its first impact in a new geopolitical reordering of the world, no longer divided between the poles of the Cold War, and fundamentally in the opening up of trade between the countries of the world. The second impact was the exchange of cultural codes that permeated very different countries and idiosyncrasies. Communication and advertising was significant driver of the adoption of global codes, which generated a "cultural hybridization" that implied shared lifestyles in different territories and cultures (Bakhronova, 2021, p. 244). Globalization brought about two critical influences on brands, "real-time connection without territorial boundaries and availability of any kind of information" (Croteau & Hoynes, 2018, p. 505).

Beyond geography, interaction spaces have become global due to technology and aesthetic codes of communication (Kelley & Sheehan, 2021). Brands have become global (whether large or small), and their product and service propositions, even if not marketed in different countries, adopt the aesthetic codes of international brands. Belch and Belch (2017) describe how people use global products (Nike, Levi's), consume global products (McDonald's, Starbucks), work with global products (Dell, Lenovo, Apple), interact with global products (Samsung, Apple, Huawei, Xiaomi), among so many other needs covered by global brands, beyond their geography of residence (Belch & Belch, 2017, p. 653).

Brands deliver a promise translated into symbols (linguistic and graphic), which emotionally frame relationships with people. In this sense, Torelli (2013) states that the function of brands "make tangible cultural meanings that are intangible and allow the visibility of certain ways of life" (p. 6). Global cultural codes imply an adaptation of brands to an aesthetic that fits the perceptions of people framed in globalized lifestyles. The globalization of brand representative codes is a challenging trend for organizations because they must make decisions about their differential value proposition: how to represent it, how to communicate it, and through which media to deliver it to different audiences.

In the early days of global communication, delivering information through a well-elaborated website was enough to reach a broad audience at a low cost with many technical communication possibilities (audio, video, text, images). However, the breadth of digital communication channels has fragmented audiences into different habits and interests. For example, how do organizations reach different cultures that share global codes? How do they maintain a unified corporate proposal in different digital media? How do they meet the demands and needs of other geographic regions? Kelley and Sheehan (2021) state that these trends imply a key management challenge where communication and management are articulated to reach different audiences with the appropriate codes and channels while establishing a differential value proposition to establish a competitive difference with other proposals.

Another challenging aspect of the evolution of global communication is the conformation of communication teams to develop the strategy according to the diversity of codes, needs, concerns, and channels in a globally competitive environment. Communication strategies need diverse teams in professions, experiences, ages, and nationalities to generate creative, understandable, and effective codes in different environments. Likewise, global communication strategies need the contribution of other technical disciplines (engineers, programmers, architects) and the social disciplines that already collaborate with communication (sociology, psychology, anthropology) to analyze and design innovative and attractive campaigns. This phenomenon has generated international multidisciplinary teams working from remote locations for the function of corporate objectives. For example, companies can hire a visual artist in Paris (for aesthetic quality), a group of programmers in Buenos Aires (for technical quality at low cost), a research team in Ireland, and market analysts in India, all for a campaign in the United States.

Another critical aspect of global markets is the territories that aspire to reach global life habits, consumption habits, and styles, such as developed markets. Kelley and Sheehan (2021) point out that "approximately one-third of advertising investment is centered in the United States; however, this country only represents 4.5% of the world's population" (p. 17). This distribution creates opportunities for expansion into so-called emerging markets. However, Paul (2019) argues that organizations "must select appropriate emerging markets and decide on the best possible modes of entry based on the cultural, political, economic, and legal systems and practices prevailing in those markets" (p. 462).

### Information Saturation

The development of information technology, the diversity and accessibility of Internet connection devices and social networks, and people's connectivity habits have generated an over-stimulation effect of data and information content that overwhelms daily life. Boczkowski (2021) highlights a series of studies that address the phenomenon of information saturation as a syndrome that has been peculiarly called "infobesity" (p. 22). The particular characteristics of this syndrome are framed by the impossibility of controlling the amount of data that enters a person's daily life, the fatigue of trying to manage the contents and sources of information, technological overload and dependence, and the excess of knowledge (He, 2020).

While saturation seems to be a consequence of modern times and the digitization of contemporary life, the historical perspective shows that at different times humanity has gone through periods of information overload. Historian Ann Blair (2014) argues that the perception and complaints about overload transcend our era and reach back to Western and Eastern medieval times. Even the need to deal in medieval times with newly available information, new content, and publication formats "triggered the development of new practices that continue today, such as text management tools like alphabetical indexing, systematic classification, divisions of a text, and visual cues" (Blair, 2014, p. 34).

One of the most significant points is that access to information is available in the palm of our hands through telephones. This situation generates an ambivalent relationship with data. According to Klingberg and Betteridge (2009), "the greater the availability of information, the greater the difficulty of retention. A saturated brain generates the paradox that the more information, the greater the feeling of information insufficiency" (p. 7). In addition, 2012 research (Drouin et al., 2012) demonstrated the first degrees of addictive dependence on cellular devices through experiments that gave rise to the phantom vibration syndrome. "This study showed that addiction to receiving messages generated the unreal perception that the phone was vibrating" (Drouin et al., 2012, p. 1490).

Carr (2017) described studies at the time related to informational addiction and "the effect on diminished thinking and decision-making ability" (para. 3). The direct effect of informative stress is "the limitation of processing, attention, and retention capacity because of the limitations of the brain to deal with so much information" (Klingberg & Betteridge, 2009, p. 165). The biological limits to dealing with so much daily information generate "fatigue, stress, addictions among the symptomatologies referred to as the iDisorders" (Rutkowski & Saunders, 2018, p. 71).

### Communication and Job Performance

The relationship between information overload, multitasking, and pressure on results has been among the most critical challenges for people in the workplace. This has been one of the essential issues of human talent management in the last decades that increased with the crisis generated by the COVID-19 pandemic that led people to work remotely with a series of new difficulties of oversaturation of communication and group interaction (Manucci, 2021). These characteristics had already been raised in 2010. Research by Bruch and Menges (2010) described the acceleration trap syndrome as characterized by three self-defeating patterns: "employees overloaded with too many tasks, attention dispersion, and meaningless task diversity, and permanent and wearing changes" (Bruch & Menges, 2010, p. 82). Later studies (Oldroyd & Morris, 2012) described the effects of technological oversaturation in workspaces that generated "employee stress, **burnout**, turnover of valued employees, and inefficiencies in decision making and execution, which affects overall organizational performance" (Oldroyd & Morris, 2012, p. 409).

**Burnout**

This is a state of extreme exhaustion that affects people psychologically and physically.

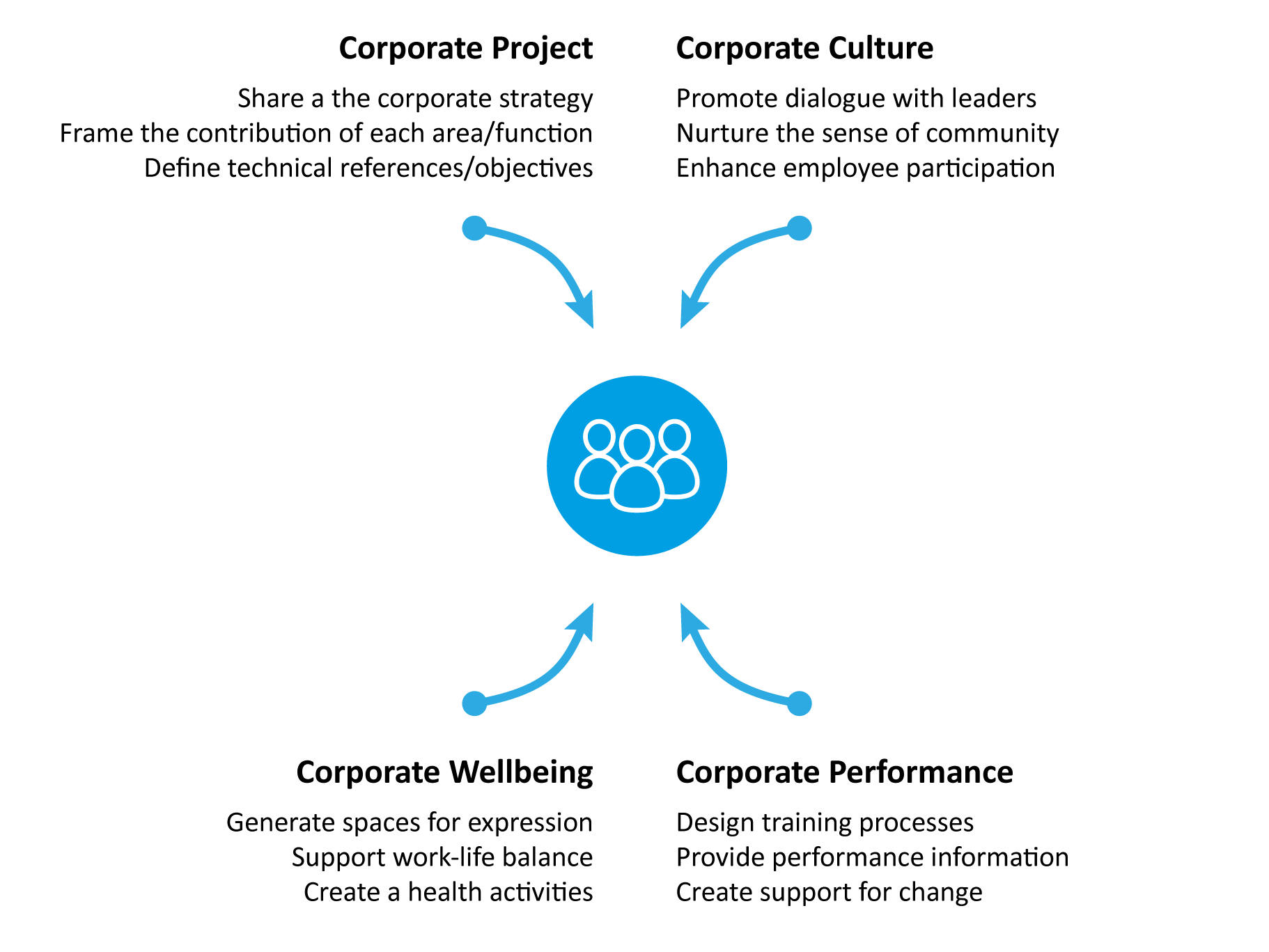
Work overload has been a growing issue since the last decades of the previous century (Rutkowski & Saunders, 2018). Communication plays a key role in saturation because it is the process that sustains work and operational practices. The orderliness and clarity of internal communication affect understanding of tasks, knowledge of objectives, availability of resources, and relationships to carry out assignments (Jackson & Farzaneh, 2012).

Currently, the development of communication in virtual work teams in remote and hybrid environments faces the challenge of managing fragmented relationship spaces and asynchronous times while maintaining both individuals' quality of life and the appropriate performance level (Manucci, 2022). As a result, organizations face increasing challenges of change, so communication becomes a fundamental process to sustain organizational resilience in the face of new demands and restructuring (Nowak, 2021). In this framework, the balance between corporate priorities and people's needs faces three tensions (Thomason & Franczak, 2022).

* **Working indiscriminately** without boundaries between spaces and times (work and private life balance) under the idea that the remote worker is a full-time worker (Thomason & Williams, 2020).
* **Depersonalized connections** move between the invasion of information and content and the solitude of personal contact (Jo et al., 2021).
* **Over-dimensioning of results** expected by organizations on the assumption that workers are more comfortable in their personal spaces and, therefore, can perform better.

One of the most significant challenges in managing virtual work teams is the isolation of people. It is a paradoxical factor because people have all the possibilities of connection and communication; however, "the most significant claims are associated with personal recognition and feedback regarding personal performance that impacts on enthusiasm and commitment" (Bartel et al., 2012, p. 744). While this has been a recurring factor for decades, in recent times, as a consequence of post-pandemic COVID-19 transformations, workspaces have become fragmented and have shown the strategic precariousness of organizations in the design of a multi-channel strategy for virtual environments. Mitchell (2021) notes that the best-prepared organizations are those that approach the new workspaces from three multi-channel axes: "collaboration technologies (videoconferencing, groupware, and cell phones), networking (virtual desktops and remote support), and security (cloud-based security, cybersecurity)" (p. 16). According to Wenninghoff (2022), new work configurations (remote and hybrid) require a redefinition of communication "to sustain corporate values, recognize employees, and orient the organizational approach to performance management" (p. 8).

Corporate Dimensions of Internal Communication for Hybrid Cultures (Based on Manucci, 2022; Wenninghoff, 2022; Mitchell, 2021)



### Self-Check Questions

1. Please mark the correct statements.

What is the most important challenge for a brand in global contexts?

* *Adjust the corporate promise to codes and symbols that fit global perceptions in different territories.*
* Obtain funding to create its own media to produce content suitable for the whole world.
* Choose the most representative language for the brand and unify it worldwide.

Summary

Multi-channel communication opens the relationship between organizations and audiences to many connection possibilities. This phenomenon brings with it both opportunities and threats for organizations. Among the opportunities are the possibilities of sharing messages through different media with an accessible cost development for any organization, reaching all corners of the world with a simple budget, opening spaces of relationship and direct contact with audiences, and planning messages in different codes according to the needs of the organization and the expectations of the audiences. On the other hand, among the threats is the sensitivity of these virtual relationships that can negatively affect the brand if organizations do not intervene strategically. On the other hand, the power of audiences as emitters of information requires permanent attention from the strategic team to prevent personal messages from reaching levels of public impact.

The technological evolution of digital media creates new spaces for organizations to interact with people. These virtual spaces allow new communication strategies and ways to experience the brand, products, and services. In this integration of digital channels to create virtual interaction spaces, strategic communication teams are nurtured by new professions and skills. This leads communication teams to interact with diverse perspectives, ages, and geographic locations to develop strategies with global codes and aesthetics.