

As business shifts towards a paradigm where what you stand for is more important than what you sell, communicators will have the opportunity to take a new leadership role.

# ***COMMUNICATION IN A NEW WORLD ORDER***

## Internal communication and the new business paradigm

**B**usiness is changing course. It will take time, but the transformation has already begun. The train has left the station. In the new business paradigm – where values are central and what you stand for ranks higher than what you do when it comes to market differentiation – communicators will have a new role: to help their organization discover its values and true purpose, and instigate initiatives and processes that will keep it in tune with those core values. This will require a radical change of focus from the traditional supporting role at the periphery, to one of leadership at the center. That is both an opportunity, and a challenge.

Thirty years ago, when Rachel Carson's *Silent Spring*<sup>1</sup> effectively put the concept of sustainability on the map, this small voice was easily ignored. Today, there's a clamor for change, a cry of increasing intensity calling on business to examine its role and responsibility in our society. And some of the loudest voices are coming from the world of business itself. For communicators who are prepared to grasp the nettle, the profound questions facing business at this time present a unique and exciting opportunity to become a key influencer in the organization of the future.

We should remember that it's really only quite recently that business has cast any kind of a serious eye on communication. Up to 10 years ago, it was still quite normal to recognize only one need. Whether telling, selling, persuading or seducing,

business communication was mainly concerned with introducing its products and services to the market. It was externally focused, customer-driven and largely one-way. We like to call this "First Generation" communication in business.

### **The next generation**

Then the context changed. Driven largely by technology and globalization, the pace of business hotted up and organizations were forced to respond to a market changing faster than the seasons. Hierarchies tumbled and commitment replaced compliance as a byword in the workplace. The one-dimensional view of the communication brief became redundant as "people issues" moved up the agenda and internal or employee communication moved into the light. Communication came indoors.

This "Second Generation" communication embraced the workplace as well as the marketplace. It's internally focused, employee-driven and (aspirationally, at any rate) more two-way. But while the focus may seem different – achieving faster response times or greater efficiency, building relationships or sharing knowledge – the ultimate objective is unchanged: sell more.

This is where organizations that have embraced the communication function are now. They understand the value of managing communication and have achieved a blend of internal and external activities that serve their current business

## KEYPOINTS

- In the new value-centered business paradigm, what you stand for will be a key market differentiator.
- To drive this new approach, communicators will have to transform their role from passive support to leadership from the center.
- Traditional business processes and vocabulary are littered with war-like phrases. Unchecked competitiveness can lead to ethical compromises, as proved by recent high profile business “disasters.” Where was the internal communicator during these own goals?
- Communication is about human connectedness, and this has been overlooked because of a narrow revenue focus. Internal communication needs to uphold values such as trust, equality, ethics, values and work-life balance.
- Communication is ideally placed for this challenge: it can look across the entire organization to align company activity with values.
- This is the fundamental shift: communication will move from a function for aligning behaviors with organizational goals to a new role: helping to align those goals with values that will ensure the business is sustainable.

objectives. But while a great many are still struggling to get even this far on the evolutionary path, the need for communication to mature further is already on the horizon, because yet again the context in which it exists is changing. This time, the changes are more radical and far-reaching than before. Even cataclysmic.

A quiet revolution is underway, and not only are the processes and practices of business under scrutiny – the very purpose of business is being questioned as the enormous environmental and social cost of the current economic model of limitless growth and consumption is articulated. The truth has dawned: the way business is practised in our time is unsustainable. The toll is too high.

### Workplace revolution

The pressures of this quiet revolution are all around us in the workplace and in the wider community. Issues of confidence and trust. Problems of stress and work-life balance. Equality issues. Questions about values and ethics. Concerns about environmental degradation – the list goes on. Much has been written on the subject and Roger D’Aprix has concisely summarized the changes that we’re experiencing as the old order gives way to the new.<sup>2</sup>

Given the level of turbulence, a visitor from another planet might be forgiven for asking why anyone would want to work in today’s workplace, and there’s evidence to suggest that Earthlings are asking the same question as they find ways to work at arm’s length from organizations that make unacceptable demands on them, and which no longer reflect their values or fulfil their total needs. In particular, growing numbers of women are choosing to abandon the safety of organizational life to set up more “humane” environments in which they can pursue both their professional and personal potential.

When newcomers to the workplace today ask: “Why should I join?” or “Why should I stay?” smart employers need to have good answers that

go deeper than the company’s product or service or the need to serve its bottom line.

### Power to the people

There are also changes out in the community. ‘Ordinary’ people are discovering their voice, and their power – even their democratic right – as companies like Monsanto have discovered. And Shell’s Brent Spar experience in 1995 (see sidebar, page 14) should continue to be a sharp reminder to any organization tempted to think that government approval, scientific evidence and a good PR agent is all you need to get what you want.

As significant numbers of people all over the world discover that they can take on institutions and win, the balance of power between institutions and the people fundamentally changes. Signs of this silent power-shift are everywhere, and only the most blinkered communicator will ignore them.

So, where is communication in this world in transition? If current literature accurately reflects current thinking it seems communication is firmly parked in “second generation” mode: a passive and largely uncritical handmaiden working ever harder to communicate a strategy designed by a “higher” authority.

Communication has become the servant of the business strategy – its arms and legs – and in the process the popular definition of communication has been reduced to little more than a transport mechanism. This is why the function is seen to be at the edge rather than at the heart of the organization, and why communicators still find themselves outside the door when core decisions are made that affect their world.

And in our efforts to win credibility, communicators have even adopted the mechanistic left-brain language of business. Our communication vocabulary is now dominated by words like “tools,” “targeting,” “delivery” (transport again) and “measurement,” and only recently have words like “relationships,” “values” and “harmony” – the real stuff of

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### You have to do more than get your facts right

The debate that arose in 1995 following Shell's decision to sink the decommissioned Brent Spar oil storage buoy in the North Atlantic typifies the challenges presented by the new business environment. Shell had a history of ensuring that their commercial decisions were supported by rigorously conducted scientific research. In this case, Shell's own engineers and a whole raft of external engineering and scientific bodies had supported deep-water disposal as the most effective method. Shell also had to ensure that there was UK governmental approval for the proposal and the UK government in turn informed the governments of countries bordering the North Sea of the disposal plan. However, a substantial body of international opinion came out against the decision and reactions intensified in June 1995, when the process to sink the buoy was due to be carried out. In light of this new situation, Shell decided to take on board stakeholder concerns and alter their plans accordingly. They announced the decision to suspend deep-water disposal of Brent Spar. The buoy was moved to the Erfjord in western Norway, and in 1998 the process to dismantle it on land began.

The lessons of the period helped Shell to bring in to focus the requirements of the new business environment and shape new processes for decision-making. Many other organizations have since come to realize that the social changes of the past decade have created the situation where scientific or government support may not be sufficient to allay public concern. Julian Woolford at Shell International's corporate center explains: "It really showed that even if get your facts right, you still have to strive for openness and to engage stakeholders in the decisions you are making."

Communicating this message internally is the challenge for communicators. Two of Shell's key values are technical superiority and high-quality scientific research – part the day-to-day job for many of their engineers and scientists around the world. Making employees aware that such values are complemented by corporate transparency, rather than compromised by it, is a vital part of adapting to the new rules of the game.

◀ human communication – been creeping into the vernacular.

Sure, there are aspects of communication which can and should be measured. But can we measure the really important things, like honesty, integrity or a genuine interest in fellow human beings? Can we use a percentage scale to calculate spirit? Or a slide rule to determine the depth of commitment?

We now speak almost casually about "harnessing" human behavior or "capitalizing" on our human assets, as if people were fettered mules or mere numbers on a balance sheet. And we talk a lot about "strategic" communication.

### Business behaving badly

The *Concise Oxford Dictionary* defines "strategem" as: "an artifice, trick or device for deceiving the enemy," while "strategic" is defined as, "dictated by, or serving the ends of; essential in war (especially to disorganize the enemy's internal economy and destroy morale)."

If you see business as a war zone – and like it or not, most organizations clearly do, consumed as they are with "competing aggressively" for market-share, "battling" in boardrooms or "fighting" off hostile takeovers – then strategy in the true meaning of the word makes perfect sense. But should communicators really be engaged in conquering resistance and colonizing minds?

One of the insidious effects of this warlike business mindset is the silent pressure many feel to make ethical compromises in the name of competitiveness and the bottom line.

In 1998, a survey of HR professionals in the US found the number one cause of unethical behavior to be "overly aggressive sales targets." "Dealing with schedule pressures" was a close second. In the Irish Republic, a 1997 Reuters survey<sup>3</sup> on stress in industry found that 40 percent of managers feel their lives are "very stressful," and likely to get even more so. Some 56 percent are forced to cancel social activities due to the pressures of work, while 70 percent are too tired for leisure activities and have no time to exercise. And 60 percent admit their relationships are either damaged or under strain due to their work patterns.

### Taming the tiger

And while outsiders have been heaping praise on the Irish economy for its spectacular performance in recent years, inside this so-called "Celtic Tiger" the most extraordinary series of scandals involving the business community have been coming to light. The world of finance has come off particularly badly.

National Irish Bank for example, under pressure from its National Australia Bank parent, recently made the kind of spectacular headlines no organization needs (especially a bank) when it was found to be systematically stealing funds from its customers' accounts to boost profits. It was also operating an illegal scheme to enable its wealthiest customers to evade tax.<sup>4</sup>

During 1999, the CEOs of all the major financial institutions in the Irish Republic have been called to account before a public enquiry set up to investigate institutionalized tax fraud involving hundreds of millions of Irish Pounds. Most of the Republic's High Street banks have been implicated in some way, however in the context of exploring the communication implications, one of them is worth a special mention.

In 1995, helped by a leading overseas communication consultancy, AIB Bank (the Irish Republic's largest banking and financial services company) put more than 15,000 staff through an

### MORE?

For more on internal communication and the language of business, see Les Potter's article *The new imperative* in SCM vol. 3, issue 5.

organization-wide vision and values-led change program designed to improve the customers' impression of the bank.

We now know that even while this undoubtedly well-intentioned exercise to share a vision and put strong values in place was under way, the bank, through its agents and employees, was helping its customers to defraud the State of legally due tax on their deposits by facilitating the opening of bogus offshore accounts. No less than 56,000 such accounts were discovered at this one institution!

When this emerged into the public domain, all banks came up with the same reasoning – because “everybody was doing it” in the market, this illegal practice was thought necessary to compete with the enemy.

After months of saturation coverage in the media, it's now widely accepted that the image of Irish banking has changed for ever. Confidence in the entire banking system has been undermined, and the reputation of bank managers as pillars of the community has been shattered. The big question is: where was the communication function during the construction of these massive organizational own-goals?

### Rhetoric v. reality

All of this graphically illustrates one of the key points of this article, and one of the critical issues facing communicators in the emerging business environment: the conflict between rhetoric and reality. Saying one thing. Doing another. And communicating both.

In the old business paradigm based on control, manipulation and endless growth – the economics of bigger and bigger – you might have got away with it. In the new paradigm based on values – the economics of better and better – people will not swallow the corporate line when the corporate action is obviously out of sync. And as this Irish story shows, the cost if you're found out can be enormous.

These organizations invest heavily in glossy advertising and PR specifically designed to build confidence in the brand. They talk a storm about trust and integrity in order to court our custom. Yet a study by Irish forecasting agency Amárach Consulting<sup>5</sup> shows the “trust” rating of Irish financial institutions to be “abysmally low,” with only 14 percent of survey respondents claiming to trust banks “a great deal.” Presumably, this means that a massive 86 percent doesn't trust them – whoever said that actions speak louder than words hit the nail on the head.

This story also demonstrates the problem of

working with an incomplete definition of communication. Today's communicators realize that behavior is an important part of communication, but it's more than that. Communication is the very essence of our human connectedness. It encompasses everything we do and everything we are, as well as everything we say. It is the totality of consciousness and behavior.

When we ignore this fundamental truth, we risk communicating one thing via the words we use and another – possibly entirely different – meaning by the way we choose to conduct our business and ourselves. And business ‘behavior’ includes the commercial decisions and choices organizations make about the products and services they provide, as well as the way they choose to act.


We seem to have lost touch with the true meaning of what it is to communicate and, more importantly, what it is that communicates. And the shame of it all is that we so rarely speak about this essential truth in the context of business. In our efforts to be accepted, communicators have colluded with the business fraternity by supporting the ends of business – whatever they may be, and without question.

This is at the core of what has to change. It's also at the heart of the new opportunity for those who carry the communication brief in business: to shift from being a supporting and peripheral function, to playing a leading and central role in the evolution of business into the new century.

### Moving goalposts

In the old business model, all was fair in love and war. The bottom line was relentlessly pursued at whatever cost the various constituencies would tolerate and the limits were constantly tested. In the emerging model, companies will compete on a very different playing field.

With organizations producing more and more products and services that are increasingly indistinguishable from each other, how will companies stand out from the crowd to become the employer of choice, the supplier of choice or – with the growing emphasis on social and environmental concerns – the neighbor of choice? Moreover, what will motivate that choice?

In the new paradigm of business, who you are and what you stand for will carry more weight than what you sell. You will stand out because of what you stand for. Differentiation will lie in the spirit of the company, the values that keep it centered, the emotions that drive it and the vision that guides it. All of these are communicated 

◀ through the uncensored evidence, ie. everything the company does, says and stands for, and all that this says about it.

The successful workplace of the future will not be a place where human assets are “harnessed” to deliver products and services, but a forum where personal fulfilment, social harmony and environmental sustainability are facilitated through work. Work worth doing.

*Built to Last* author James Collins<sup>6</sup> puts it like this: “The next wave of enduring companies will be built not by technical or product visionaries but by social visionaries – those who see their company and how it operates as their ultimate creation and who invent entirely new ways of organizing human effort and creativity.”

### Navigating the rapids

As they move towards this new world, organizations will be forced to examine their conscience and articulate their purpose and values – beyond profit. They will need a change of focus away from narrow self-interest and towards the common good, and they will need to come to terms with the fact that long-term commercial success in the new century will only be possible for those who fully embrace the principles of sustainability, where the needs of employees, the community and the wider environment are at the heart of the corporate value system.

All of these issues are, of course, communication issues. From their unique vantage point and with a brief that focuses outwards and encompasses the whole business, communicators should be able to see what others may not: the degree to which their company is equipped to meet the rigorous demands of a new business era. The challenge – and it will be a real challenge – is to actually *be* different, and not just claim to be.

“First Generation” communication, as we have called it, was outward-facing. “Second Generation” communication faced inward. In the values-based business world heralded by the changing patterns of work, lifestyle and social issues, and the call for an economic model more in keeping with nature than the one that’s got us into the ecological mess we’re in, “Third Generation” communication will move further inward – into the very consciousness of the organization.

Communicators will be required to facilitate an exploration of the organization’s collective thoughts, feelings and hopes, and to articulate the true values that will guide it towards a future anchored to the principles of sustainability. They

will need to work constantly to align the company’s products, services and behaviors with those values and to foster a culture in which personal and organizational values are in harmony, to address the full definition of communication as the totality of consciousness and behavior.

### Only you can do it

To make this transition, communicators first need to fully understand the emerging business paradigm. Secondly, they need to shift the perception of their organizational focus from being the corporate “arms and legs” who communicate existing business strategy to a new role as “corporate midwife,” facilitating the birth of a business proposition and ethos that genuinely fulfils the needs of all stakeholders.

There are tough questions to be asked. Other than making money, what do we believe in? Other than our products, what do we stand for? Other than profit, what is a business for? What are our personal values? How can the goods and services we provide and the way we behave become a vehicle for those values, an asset to the community and a differentiator in this increasingly “noisy” world? That is the challenge, and the opportunity.

Currently, the primary conversation around communication is about aligning behaviors with organizational goals. Third Generation communication is not about selling or persuading, and it’s not about winning the war – it’s about aligning organizational goals with the principles of sustainability. That is, achieving a sustainable balance between the needs of the economy, the community and the planet.

This is about transformation. As the new century dawns, those charged with the responsibility for communication must prepare to adopt a leadership role in the process of transforming their organization into one that will be fit to succeed and flourish in the new world of values-based business. No one else will do it. Marketing won’t. Finance won’t. Manufacturing won’t. Only communication can do it. ■■■

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#### Notes:

1. *Silent Spring*, by Rachel Carson, 1962.
2. *Clinching the new deal* by Roger D’Aprix, *SCM* Vol.3 issue 6.
3. *Reuters stress report*, Reuters, 1997.
4. *Breaking the Bank*, by Charlie Bird and George Lee; Blackwater Press, 1998.
5. Amárach Consulting study.
6. *Built to last* by James C Collins & Jerry I Porras; Century Business Books, 1995.