

The corporate communication strategy



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This report aims to critically evaluate and analyse the corporate communication strategy, framework and main issues influencing a corporation. The company that I have chosen to examine and apply the knowledge of corporate communication is Microsoft Corporation.

Communication strategy of Microsoft Corporation applies or follows which enabled it to expand and grow its business with such an immense efficiency.

How does the organisation incorporate main issues of corporate communication; such as, communicating with external and internal stakeholders, maintaining its identity, image and reputation to reflect its organisational behaviour, the organisation's attitude towards cultural influence, the role and impact of technology, and lastly, the role of Human Resource Management in contribution of its effective communication and overall performance in global context.

(Cornelissen J, 2004) states that corporate communication is a function of corporate identity, corporate image, corporate brand and corporate reputation for the goodwill of the organization and its ongoing concern which is making profit. Corporate communication is a modern term of "Public Relations". "The term corporate communication is increasingly being used in practice to describe the management function that is still referred to as public relations in academic literature" (Groenewald, 1998).

According to surveys, over half of the heads of corporate communication departments administer communication functions. They are as follows;

External and internal communications

Managing corporate reputation and brand

Recruiting and retaining

Product launches

Developing company strategy

Corporate social responsibility

Boosting investor or analyst perception

Managing crises

Corporate communication is simply the process of exchanging information within and outside of any organisation with concern of the above mentioned functions to run it effectively and efficiently. It is taken as an important aspect for any organisation to develop and flourish its capability at its best. However, it is more crucial to organisations that operate globally. Most of the successful organisation has used corporate communication as the means of success because it helps to formulate their distinctiveness, their status and mark their existence in the mind of their customers.

Background of the organisation:

Microsoft Corporation was founded in 1975 by Bill Gates and Paul Allen in USA. It is a multinational company with headquarter in Redmond, WA, United States, and its subsidiaries in 110 countries. With 182, 884 employees in USA and worldwide and annual revenue of USD 62. 48 billion, it can be said that it is one of the world's largest and dominant software companies. It provides software, services and solutions to people and businesses world-wide. The <https://assignbuster.com/the-corporate-communication-strategy/>

company focuses on research and developing, manufacturing, licensing, and supporting wide range of software products and services for various types of computing devices. The major software products and services it provides are; operating systems for servers, personal computers, and intelligent devices, different types of personal and business applications, software development tools, online services platform, and games; taking into consideration and benefiting all range of people from business, students, workforce to households.

*According to the Microsoft Corporation, “ The Microsoft mission is to help people and businesses around the world realize their full potential. We work to accomplish this mission through the development of innovative products and services that help people harness the power, opportunities, and benefits of technology.”

<http://www.microsoft.com/about/corporatecitizenship/en-us/our-commitments/reporting/about-microsoft/>

The communication strategy and its framework in the organisation:

An effective corporate communication strategy is very important for any organisation to overpower today’s highly competitive and information driven business environment. It protects an organisation from negative publicities and limits misleading steps of the corporate.

Strategy requires choices – deciding what particular kind of value an organisation wants to deliver and to whom (Porter, in Gibson, 1997).

Implementation of proper and practical strategies can bring equal

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opportunity to people; resulting in distribution of innovative information, resolution of conflict and coordination in organisation.

X-Border communication strategy issues include; degree of adaptation and standardisation, consistency, internal vs external, corporate identity and reputation, costs, role of technology. As a multinational organisation, Microsoft Corporation adapts almost all of the x-border communication strategy to stay on top of the market. (see Appendix)

Steve A. Ballmer, CEO, Microsoft Corporation, states that they see their citizenship strategies and business strategies as complementary, creating shared value for Microsoft shareholders, employees, stakeholders, and society.

<http://www.microsoft.com/about/corporatecitizenship/en-us/our-commitments/reporting/ceo-intro-letter/>

Neil Holloway, President of Microsoft Europe, Middle East and Africa (EMEA), focused on the balanced objectives of driving customer satisfaction, improving integration across Microsoft business units, addressing the unique technology needs of diverse markets, and growing the software business in the region. <http://www.microsoft.com/presspass/exec/neilho/default.mspx>

The statement of Neil Holloway and Steve A. Ballmer clearly implements the communication model (shown below) in Microsoft. Keeping in mind of their identity and image, they deliver messages to their shareholders, employees, stakeholders, and society by the use of Management communication,

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Organisational communication, and Marketing communication. (see Appendix 1)

Figure 1: Communication model, Strategy of the organisation (M. Welch and P. Jackson, 2007)

Communication framework

In all organisations, communication flows vertically and horizontally, internally and externally, formally and informally linking employees internally to each other and to various layers of management, and to the many external resource holder of the organisation (Fombrun and Riel, 2006).

There are three main types of structures of the company and they are as follows;

Functional

Matrix

Project

Microsoft follows the matrix structure to perform communication (see Appendix 3). It has horizontal divisions for international operations and vertical divisions for product groups. Mike Love, senior director of corporate communications at Microsoft EMEA says that Microsoft's matrix of management decision-making and the challenge to communicate through this matrix is very complex. He also adds that Internal and External communicators each have geographical, functional and product-area responsibilities as their direct focus (see Figure 2, below).

http://www.melcrum.com/articles/clutter_at_microsoft.shtml

Figure 2: Areas of responsibility at Microsoft

Microsoft's governing body is the Annual Meeting of Shareholders and the executive body is the Board of Directors (see Appendix 4). Microsoft adapts a centralized and functional area accompanied by a network of decentralized structure for adapting the function to the special needs of the independent business units.

The main issues relating to corporate communication

External and Internal communication

External communication:

External communication refers to communicating with external parties of an organisation which includes customers and business partners, suppliers, media, and competitors.

Communication with customers:

Customers are the most influential part for any organisation to exist in business environment. Microsoft claims that the success of their company is based on their ability to listen and respond to customer feedback about their products, programs, and services, and to increase customer satisfaction with all of the possible ways. They continually engage with their customers and partners through third-party surveys and feedback mechanisms within their products, and community-based websites (see Appendix). However, Microsoft has not institutionalised engagement of external stakeholders in corporate decision-making.

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Their customer and partner experience (CPE) strategy is sponsored by their chief operating officer and president of the Microsoft Business Division.

Communication with media:

Media is one of the most powerful and critical areas of any corporate communication function. According to Argenti (2009), the media are both a constituency and a conduit through which investors, employees, and consumers receive information about and form images of a company. It has the ability to turn a business up or down in a matter of seconds. It is very essential for corporation to understand this matter and have a good relationship with media.

Microsoft has good understanding on this matter. Hence, they have included media as one of the areas of responsibilities (see Figure 2). They have a separate section in their company site called “ Microsoft News Center” where it provides latest updates and information on company. For media, it has a section called “ Press Tools” with Press Releases, Analyst Reports and many more. It has also established number of air-traffic control tools to avoid misleading and misinterpreting messages to media (see Appendix).

Communication with competitors:

The main competitors of Microsoft are Google, Apple, VMware, Oracle, and Open source (Linux and Firefox). However, Google is seen to be the prior competitor of Microsoft. Microsoft keeps up-to-date information about its competitors.

Microsoft had some problem with its competitors in past and was accused for its unhealthy competition (see Appendix). This had a negative impact on the reputation and image of Microsoft. Since then, Microsoft has been keeping healthy relationship and healthy competition with its competitors through changes in its products and services, filtering words when having conversation on their competitors.

<http://blog.seattlepi.com/microsoft/archives/208984.asp>

Communication with Government:

Government is involved in all stages of business development. As Microsoft operates in various regions and areas globally, it makes sure to follow the national, regional, and local bylaws and legislation of the country.

Microsoft also sense importance of collaboration among the internationally recognized groups. Its Citizenship and reporting strategies are guided by those laid out in the Global Reporting Initiative, the Global Network Initiative the United Nations Global Compact, the United Nations Millennium Development Goals, and the Carbon Disclosure Project.

Communication with shareholders:

However, the company does not provide training to staff on stakeholder engagement, nor do they disseminate the principles through more than one medium or translate them into other languages. Microsoft has also not institutionalised external stakeholder engagement in corporate decision-making.***

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Internal communication:

Strong internal communications- fostering increased workforce loyalty and productivity – will thus continue to play a pivotal role in a company’s employee relation and overall success (Argenti, 2009).

Microsoft fully realise the role of employees and vendors for its overall success. It is also aware that with change in culture and business environment, employees and their attitudes, beliefs are changing and they need to be treated in different ways. To understand the values and attitudes of employees to gain their loyalty and productivity, effective communication among and with employees is very crucial.

Communication with employees:

One of their most important developments during the past year has been the establishment of an Internal Communicator Community (see Appendix). They have also developed a new approach to the annual planning process by creating a forum for sharing internal and external communication plans across all business disciplines to build a “one company” approach.

They have also established a regular quarterly meeting and monthly Live Meeting¹/conference call for all Public Relations leads in Europe, the Middle East and Africa (EMEA) – regardless of their areas of responsibility. This has become a clearing house for communication plans and has helped establish the discipline of air-traffic control.

Communication with vendors:

<http://www.itworldcanada.com/news/microsoft-adds-human-element-to-corporate-communications/110453>

Identity, Image, and Reputation

The concept of corporate identity is traced by organisation's marks or logos, name, motto, products, services, and any other possessions of the organisation that is visible and tangible to differentiate themselves from their competitors and print their image in the minds of consumers (Argenti, 2009). Image is shaped by the identity of an organisation, it is the way internal and external constituents perceive the organisation's identity get fulfilled. Finally, strong reputation of an organisation is achieved when identity and image align with each other.

Microsoft's identity is majorly reflected by its name, products and services, market capitalisation, market capture, and Bill Gates, former CEO, Microsoft Corporation (see Appendix).

Microsoft's image has been problematic since its establishment. It has been accused

Microsoft's holds a highly valued reputation

Read more:

Corporate Identity <http://www.referenceforbusiness.com/encyclopedia/Con-Cos/Corporate-Identity.html#ixzz18qO7ytiL>

Corporate Identity

Names, Brands, Symbols, Self-presentation

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is perceived by

Employee Image

Investor Image

Community Image

Customer Image

The sum of their

Corporate Reputation perceptions equals ...

Figure 3: Reputation Framework (Argenti, 2009)

Culture and its influence in corporate communication

Any organisation's culture is reflected by the behaviours, attitudes, beliefs, norms and values of its employee working with each other towards attaining a common goal. It has become a serious issue with prevalence of globalisation (see Appendix).

Hofstede (1980, 1982, 1987) has outlined five dimensions of cultural impact in an organisation. They are as follows;

Power distance

Individualism Vs Collectivism

Uncertainty avoidance

Masculinity or Femininity

Long term or Short term

Microsoft believes that the following listed values guide their behaviours and it is reflected in their employees in their interaction with each other and their stakeholders.

Integrity and honesty

Passion for customers, partners, and technology

Open and respectful with others and dedicated to making them better

Willingness to take on big challenges and see them through

Self-critical, questioning, and committed to personal excellence and self-improvement

Accountable for commitments, results, and quality to customers, shareholders, partners, and employees

(see Appendix 5)

The above statements by Microsoft shows that it follows collectivism idea, there is no power distance as employees believe in open and respectful relation with each other. They believe in “ one company” approach.

We should communicate with and not at our internal audiences, engaging in a dialogue not a monologue. Such an approach fits well with Microsoft’s corporate culture, which strives to be devoid of hierarchy.

http://www.melcrum.com/articles/clutter_at_microsoft.shtml

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The role of technology

The role of technology in carrying on communication effectively has been immense. With rapid development of technologies nowadays, it is almost impossible to have a thought of communication without technologies.

Microsoft Corporation itself is a leader in developing and distributing innovative technologies world-wide. There are numerous software products and services produced by Microsoft for communication use. However, technologies that they use for internal and external communication are; e-mails, video conferencing, teleconferencing, telephones, webcasts, podcasts, blogs, internal intranet site, air-traffic control tools, and integrated communication planning.

The role of Human Resource in corporate communication

HRM is a strategic and coherent approach to the managers of the organisation. The most valued assets, the people working there who individually and collectively contribute to the achievements of its objectives. (Armstrong, 2003).

According to Ulrich (1997), there are four roles of Human Resource Management in an organisation. They are as follows;

Administrative expert

Employee champion

Change agent

Strategic partner

<http://www.stw.de/typo3temp/pics/c98097d6bc.jpg>

Figure 4: The HR Business Partner (based on an idea by Dave Ulrich, 1997)

Conclusion and recommendation

In conclusion, Microsoft practices a very good and practical corporate communication strategy and framework. Microsoft follows the matrix structure with strongly centralized and wholly decentralized framework for communication. They understand the importance of effective communication between their internal and external stakeholders for their success. Microsoft has implemented various communication tools and plans, such as, air-traffic control tools and integrated communication planning specially for effective communication with employees and media. The use of technologies for communication are; e-mails, telephones, video conferencing, blogs, webcasts, podcasts, Annual Report, Press Releases, internal intranet site.

Their identity is basically its name, products and services, and Bill Gates, former Chairman of Microsoft who is known as one of the wealthiest people alive. Their image and reputation were frequently in stake and problematic with different kinds of accuses. However, they are doing their best in overcoming and maintaining a superior image.

Microsoft practices open and respectful culture with equal opportunities for all employees. They practices

This invariably means they work within communication silos roles rather than taking a broader view of the company as a whole.

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