



# HOW CAN COMMUNICATION BE ALIGNED WITH CORPORATE STRATEGY?

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

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

### A glance into research

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

In strategic communication literature, alignment has also received numerous mentions. Much of the research has discussed the importance of aligning image, vision, messages, corporate brands and organizational culture in the context of integrating all communication activities (e.g. Invernizzi & Romenti, 2015; Torp, 2015). The term has also been used in the context of aligning communication with

organizational strategy. However, the concept of strategic alignment has mostly received implicit attention by researchers. It remains quite fuzzy to date. Conceptual research and empirical studies are rare, leaving many question marks about how alignment can be created and measured in practice.

### Internal and external alignment

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

External alignment refers to aligning the corporation with its external environment and the multifaceted beliefs and values articulated by

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

## Benefits of strategic alignment

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

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

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

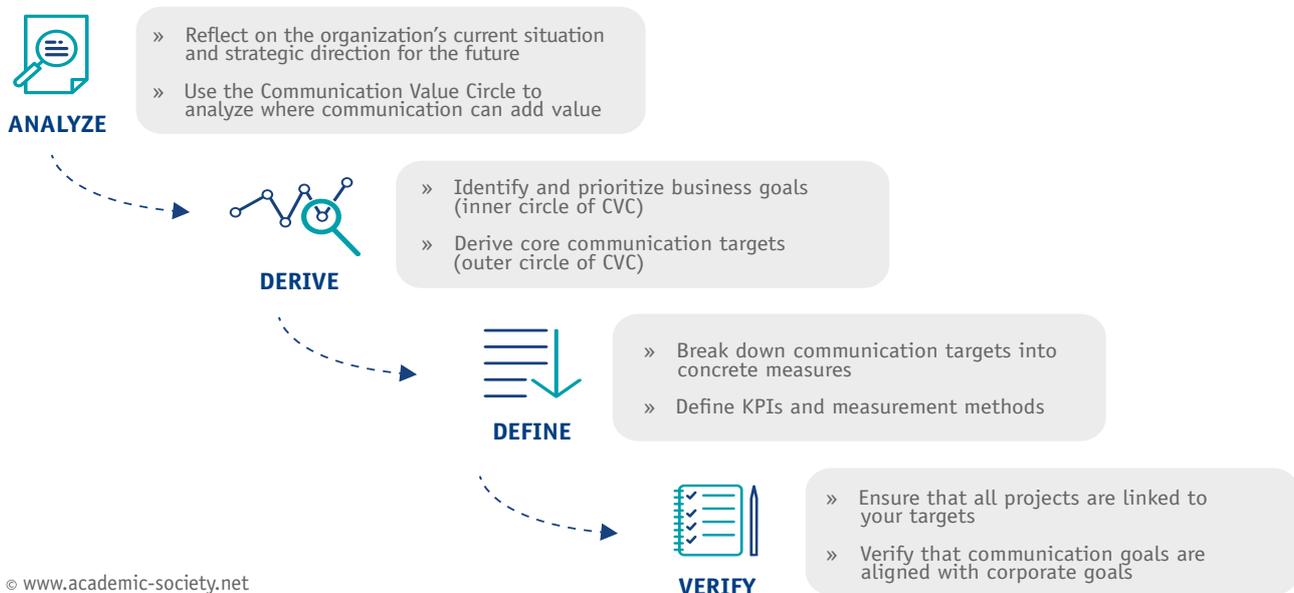
## How can communication be linked to corporate strategy?

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

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

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

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



## Corporate strategy as point of reference

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

- **Non-transparent corporate goals:** in some cases, there is a gap between rhetoric and reality. Officially communicated goals do not reflect the real priorities of top management. Strategic goals sometimes also only exist at the level of business units, not at the corporate level. This makes it difficult to define overarching communication targets that are aligned with the corporate strategy.
- **Limited access to strategy process:** communicators are frequently not involved in the core strategy process of the organization – even if they are part of the top management team or reporting to the CEO. They might find it hard to access relevant information from the board or strategy department. In this situation, a bottom-up alignment approach could be a starting point for getting a clearer idea about the current positioning of the organization.
- **Ongoing strategy changes:** a fixed corporate strategy might be absent due to constant restructuring and change processes. Communication departments can rely on agile methods and emergent strategies to ensure the dynamic alignment of communication targets with changing business goals.

## Choosing the right alignment procedure

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

- **Top-down vs. bottom-up:** most organizations use the classical top-down approach, deriving communication targets from corporate goals, as visualized in The Alignment Process. In contrast, the bottom-up approach seeks input from employees and external stakeholders with the goal of integrating their expectations into the communication strategy formulation process.
- **Formal vs. informal:** alignment can be achieved through formalized processes, structures and instruments, through negotiations during annual strategy meetings with the CEO and other board members as well as strategy workshops with communication executives. In contrast, it can also take place in informal meetings and during personal negotiations with the CEO or the executives of relevant business units. Informal settings may facilitate the collaborative development of evolutionary goals and strategies.
- **Centralized vs. decentralized:** in the centralized approach, the corporate headquarter is usually responsible for defining the corporate strategy as well as coordinating the alignment of the entire organization. Strategic goals are typically cascaded down to business units, departments, leaders and employees. Decentralized

means the alignment process is carried out more independently by the business units and regional offices.

## Beware of possible pitfalls

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

- **Wrong reference point:** we have seen communication departments that use communication processes as the starting point for alignment, instead of business goals. Choosing the wrong starting point may result in communication goals that cannot be linked to overall business goals.
- **A lack of visualization:** many companies underestimate the importance of visualizing their communication goals in the same manner as corporate goals (e.g. in structured lists, pyramids, pillars, diamonds). Communicators should be able to illustrate strategic alignment not only in the language of management, but also in its visual representation.
- **Non-dynamic alignment:** a very rigid, linear alignment of communications to corporate strategy can also have a negative impact. Tight and inflexible adherence to corporate strategy may result in a lack of reflexivity or the potential avoidance and misrecognition of problems. This in turn may delay the communication department's ability to respond rapidly to changing environments.

### At a glance

- Alignment of communication with corporate strategy is an important precondition for contributing to corporate value creation. However, there is still a lack of conceptual research and empirical studies on how to create strategic alignment in practice.
- Alignment is corporate specific, so there is no one solution that fits all. The Communication Value Circle (CVC) is a useful tool for reflecting on the strategic alignment of an existing communication strategy or in the development of a new one.
- Strategic alignment must start with business goals and derive communication targets systematically. The Alignment Process offers a visualization of the necessary steps for the process of linking communication targets to overarching corporate goals. Aligning communications requires agglomerated managerial skill and will.

### FURTHER READINGS

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



## DYNAMIC ENVIRONMENTS REQUIRE EMERGENT STRATEGIES

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

### Communications support emergent strategy processes

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

### Merging emergent and planned approaches

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

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

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

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

### FURTHER READINGS

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



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

Betteke van Ruler

## A PRECONDITION FOR STRATEGIC ALIGNMENT: COMMUNICATING CORPORATE STRATEGY

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

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