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**REVITALIZING THE SUBARU DIFFERENCE; A
COMMUNICATIONS AUDIT TO DETERMINE EFFECTIVENESS
AT SUBARU OF AMERICA INC.**

By
Thomas Paoella

A Thesis

Submitted in partial fulfillment of the requirements of the
Masters of Arts Degree
of
The Graduate School
at
Rowan University
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Approved by _____

Date Approved 6-30-04

ABSTRACT

Thomas Paolella

REVITALIZING THE SUBARU DIFFERENCE; A COMMUNICATIONS AUDIT TO
DETERMINE EFFECTIVENESS AT SUBARU OF AMERICA INC.

2004

Thesis Advisor: Dr. Donald Bagin
Corporate Public Relations Graduate Program

The purpose of this study was multifaceted. The first purpose was to examine the Subaru Difference Initiative campaign of several years ago and see what aspects succeeded and what areas needed change. The second purpose was to evaluate the effectiveness of the Subaru Difference and the role it currently plays within the Subaru of America Corporation. The third purpose was to perform research to obtain a better understanding of how employees would like to be communicated with in the future regarding the Difference and also what future steps can be taken to improve the overall clarity and effectiveness of this initiative.

The study analyzed the results of a company wide questionnaire provided to all 850 employees at Subaru of America Inc., as well as in-depth face-to-face interviews to further determine the attitudes and opinions of the employees at Subaru of America Inc. regarding the Subaru Difference initiative.

In order for employees to embrace the Subaru Difference as a worthwhile initiative, upper-level management must convey to all employees that this program is a vital part of continuing the success for Subaru. Recommendations were made for future study on the subjects of technology in corporate communications, change communication and also managing change.

MINI-ABSTRACT

Thomas Paoella

REVITALIZING THE SUBARU DIFFERENCE; A COMMUNICATIONS AUDIT TO
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The purpose of this study was to examine the Subaru Difference Initiative campaign of several years ago and see what aspects succeeded and what areas needed change, to evaluate the effectiveness of the Subaru Difference and the role it currently plays within the Subaru of America Corporation and to perform research to obtain a better understanding of how employees would like to be communicated with in the future regarding the Difference.

The results found that although most employees have heard of the Subaru Difference, only a small percentage of them know what it actually entails.

ACKNOWLEDGMENTS

This work is dedicated to my parents, Joseph and Julie Paoella, who shaped me into the unique person I am today. Throughout all my academic and personal endeavors, their love and support has guided me and provided me with inspiration to take full advantage of the opportunities life has presented to me. They have sacrificed their money, time and effort to afford me with the best life has to offer and for this I am forever grateful. Nothing would be possible without them.

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Thank you to Leah Lovero and all the other amazing people I met while interning at Subaru of America Inc. My professional experiences there will last a lifetime.

And finally, my most special thanks to my advisor Dr. Donald Bagin. Your guidance throughout this project and throughout my entire graduate experience will be forever remembered and cherished. You instilled in me the knowledge to succeed as a professional in the field of public relations as well as the knowledge to succeed in life. My grandfather passed away several years ago and whether aware of it or not, you provided me with caring words and thoughts that helped fill that void. Your generosity, patience and belief in me are unsurpassed. For this I will be forever grateful.

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Chapter One

Introduction

Revitalizing the Subaru Difference

Subaru of America, Inc. is a wholly-owned subsidiary of Fuji Heavy Industries Ltd. of Japan. Subaru is the only automobile manufacturer to offer all-wheel drive as standard equipment on every vehicle they make. Headquartered near Philadelphia, the company markets and distributes Subaru vehicles, parts and accessories through a network of nearly 600 dealers nationwide. Subaru of America, Inc., (SOA), has been located in the Philadelphia region since the company started in 1968. SOA moved to its current Cherry Hill, NJ facility in 1986. The \$18 million, 115,000 square-foot, seven-story structure serves as the company's national headquarters. Spanning the continental U.S., Subaru is represented by nearly 600 franchised dealerships. Through its manufacturing, marketing and franchise dealer network, Subaru operations directly impacts more than 5,000 jobs in the U.S. By using hundreds of American suppliers and vendors, Subaru has an additional impact on nearly 20,000 jobs nationwide.

The original goal of the Subaru Difference was to position the strategic campaign as a corporate philosophy pertaining to all employees in all areas of business.

Background:

The Subaru Difference was originally conceived as the fourth leg of a strategic plan laid through the mid to late nineties. The four legs of the plan were laid out in order from All-

Wheel-Drive strategy, niche marketing, retail environment to finally customer satisfaction.

During third quarter 1999, Subaru of America, Inc. executive management held meetings with department heads and RVPs to alert them of the critical need and urgency to substantially improve the Subaru customers' purchase and ownership experience.

A working title of the Subaru Difference was brought back from an SOA customer satisfaction program in the late 1980s. The title was originally to be used as a jumping off point before creating a new title later in planning stages. A new title was never created and the committee opted to stay with the Subaru Difference.

Subaru Difference was selected as the customer initiative name and five sub-committees were formed from a cross section of SOA departments and employees. These sub-committees were assigned five areas: Process and Procedures, Organization and Staffing, Training, Measurements and Rewards and Communication. These sub-committees would develop a structure for a customer initiative to introduce to dealers in January 2000.

The need for a comprehensive customer strategy and the Subaru Difference name were introduced to dealers at the national dealer meeting in Orlando, FL in January 2000.

Dealers were told the Subaru Difference was not a program, but more accurately defined as the new corporate philosophy including a shift in culture to put the customer first in all decisions and actions.

Subaru Difference was described as SOA's Customer Relationship Management Initiative (CRM), the corporate call to action for a committed customer focus. Dealers

were assured SOA would provide an opportunity for their input before finalization of a formal customer initiative. “Dealer Dialogue” meetings were conducted in April and May of 2000 in 15 major cities. More than 250 dealership owners and general managers attended to give their input to SOA’s corporate officers.

The Subaru Difference Philosophy read:

“Create customer experiences that reflect ‘the Subaru difference’ of fun, freedom, adventure, confidence and control, to build lasting customer relationships that strengthen the Subaru brand for long-term success.”

The goals were:

1. As the fourth area of our strategic platform (Product, Marketing/Image, Dealers and Customers), the company is re-dedicating itself to its customers with the goal of significantly increasing owner retention and repeat business.
2. The re-focus on the customer is consistent with our overarching goals of unit sales and profitability.

It was decided a committee was not sufficient enough to handle the Subaru Difference on its own and an entire department needed to be committed to the program. In June 2000 Keith Tilton was appointed VP of the new Customer Relationships and Loyalty (CRL) department. An evaluation was conducted of the company to determine which already existent departments should logically report to CRL. Customer Dealer Services (CDS) was the first, followed by the arm of marketing that handled the owner-loyalty program and after-sale owner communication.

Strategic action plan direction for the Subaru Difference was created in June and July of 2000. The GT Group was selected in August for development and facilitation of the customer initiative. The GT Group developed the proposed action plan of the two-legged approach of SOA and Dealer participation. Action plans included process improvement methodology/training, dealership standards development and a certified dealer process.

The concept of a new customer strategy was introduced to employees in October 1999 before being introduced to dealers. The Subaru Difference as a specific program was introduced to employees in June of 2000 after creation of the CRL department. The program was introduced as a two-legged approach to customer satisfaction; an employee leg and a dealer leg. The communications sub-committee created a plan to communicate both legs to employees and dealers.

At the 2001 National Dealer Meeting in March, the dealer certification program, Stellar Performers was launched and began signing up dealers to become certified. The program has since enrolled more than 300 dealers.

CRL Objective:

To increase SOA employee ownership and buy-in of the Subaru Difference initiative.

Real State:

The communications sub-committee laid out a plan to communicate both legs of the Subaru Difference to employees and dealers. The plan for employees only consisted of an information campaign without an attitudinal or behavioral piece. The plan utilized channels including employee briefings, memos, meetings, the bulletin board, CCTV and

The Difference newsletter. Eight tactics were mapped out while six were completed. The plan did not include a timetable, which made longevity and consistency difficult.

Actions included creating a “customer corner” on bulletin boards at HQ and all regional offices. Customer letters were posted along with resolutions and the time it took to resolve the problem. Similar to the customer corner on the same bulletin board, the top 10-25 customer complaints and suggestions were also posted for employees to read. Customer themed conference rooms were created to reflect the active lifestyle of Subaru customers. Rooms were decorated to reflect various outdoor activities including mountain biking and canoeing.

HQ and regional receptionists were asked to use a specific customer friendly greeting when answering the phone. This change did not last very long. Descriptions of each department’s activities were given to receptionists to better direct customer and vendor calls. This list was also not utilized for very long. The Difference newsletter was created to help define the Subaru Difference and its philosophy to employees and show how continuous steps were being taken to realize the philosophy.

A “strategy” web site was to be created that would contain tools to help employees better serve the customer. Part of this idea included the creation of a CRL Intranet Page. The “strategy” web site was never created however the CRL web page was launched in December 2001. Plans were also laid to create customer service promise posters signed by employees to be displayed in HQ and regional offices. Some regional offices did sign the poster, but not all did and HQ did not. Finally, customer tenets or key messages were to be given to all employees to help them define the Subaru Difference. This was also

never completed. All employees did receive a fact sheet about the Subaru Difference containing the philosophy and many motivational bullet-pointed messages. The Subaru Difference philosophy was posted on the CCTV at HQ, but employees outside of the HQ building were unable to view it. Other ideas were discussed, but never put into action.

Formal communication about the employee leg of the Subaru Difference ended in November 2000. In May 2002, CRL began working with Corporate Communications as to re-communicate the Subaru Difference and affect change in the attitude and behavior of employees in relation to the Subaru Difference. The first step in the re-communication process was a phone survey of a random sample of employees from all locations and levels of SOA to determine employees' awareness and retention of the Subaru Difference.

Phone Survey Findings:

- The majority of employees have heard of the Subaru Difference.
- The majority of employees agree the Subaru Difference encompasses every aspect of SOA's business.
- The majority of employees feel the Subaru Difference directly applies to them or their department.
- The majority of employees could not clearly state how the Subaru Difference applies to them or their department.
- Employees were divided as to whether the Subaru Difference has been communicated effectively in the past.
- Employees prefer the Intranet as their number one resource for information on the Subaru Difference. Employee Briefings was second.
- The majority of employees said they don't remember receiving "The Difference" newsletter.
- The majority of employees said they did not read the newsletter.
- The majority of employees felt neutral as to whether the content was relevant.
- The majority of employees agree the Subaru Difference is a worthwhile initiative.

- The majority feel the Subaru Difference is important enough for everyone in the company to use daily.
- Employees were divided as to whether they felt a part of the Subaru Difference.
- The average number of service years of participants was six.

Demographics:

Subaru of America employs approximately 800 employees between headquarters, the operations center, five regional offices, Subaru Yard Operations and the Subaru port in Vancouver. Nearly 500 of those employees work at headquarters and operations center, both located within 1.5 miles of each other in Southern New Jersey.

IMPORTANT NOTE: Only full-time and part-time regular employees, and

Contingent employees are included in these statistics (no temps or interns).

Also, only SOA and SYO company employees are included (no SRDI or FUSA).

Band	Emp Count	% of Total Emp
band1	196	24.0%
band2	255	31.3%
band3	330	40.4%
band4	35	4.3%
	816	100.0%

Age Group	Emp Count	% of Total Emp
< 20	0	0.0%
20 to 30	85	10.4%
30 to 40	245	30.0%
40 to 50	270	33.1%

NOTE: The right side of the range is a "less than",

ie. 20 to 30 includes 29.9 but not 30.2. 30.2 is in the next group.

50+	216	26.5%
	816	100.0%

Serv Yrs Group	Emp Count	% of Total Emp
< 5	291	35.7%
5 to 10	137	16.8%
10 to 15	137	16.8%
15 to 20	145	17.8%
20 to 25	89	10.9%
25+	17	2.1%
	816	100.0%

NOTE: The right side of the range is a "less than",
ie. 10 to 15 includes 14.89 but not 15.25. 15.25 is in the next group.

Other Issues Influencing Reception:

All employees can not be targeted in the same way. Age and tenure with SOA indicates how an employee prefers to receive information. Location of employees will determine the number or type of channels to be used. Also, salary band will determine how much exposure employees have had and will have with the Subaru Difference.

Employees who have been with SOA for 15 years or more are less likely to use the Intranet as their primary source of company information than other employees.

Employees who have been with the company less than 10 years and are generally younger than employees of 15 years or more, are more likely to use the Intranet as their primary source of company information.

Employees located at HQ have more channels available for receiving information. The corporate communications department relies on the regional administrative managers to

disseminate information to all regional personnel. Recommendations are always given on how to do this, but no guarantee is made that information will be received by all.

Salary band correlates with a higher level of understanding and retention of all communication efforts as upper level employees are privy to more meetings and strategic planning sessions that would include such things. Regional employees have greater exposure to the Subaru Difference through dealer interaction than HQ employees.

Ideal State:

CRL and corporate communications would like to complete a comprehensive two-year communications plan by the end of June 2002. A two-year plan is in alignment with the requirement that all pieces of SOA's overall strategic plan, of which Subaru Difference is one of eight, include a two-year communication plan.

Audience Segments:

Direct: 1. HQ Employees

2. Regional Employees

Indirect: 1. Regional Administrative Managers

2. Officers & Directors

Competition and Constraints:

Competition

- Preconceived ideas about the Subaru Difference
- Strategic Plan
- Diversity Initiative
- Daily workload/activities
- Every initiative incorporated before the Subaru Difference.

Constraints

- Multiple locations
- Varying channels
- Lack of direct contact with field employees
- Current channels only allow us to use “pull messages” (employees seek the information)
- Understaffed communications department
- Understaffed CRL department

Message, Audience, Channel Selection:

Audience: HQ Employees

Message

1. The Subaru Difference will improve job satisfaction.
2. The Subaru Difference will improve productivity of the company.
3. The Subaru Difference will provide consistency in how SOA conducts business.
4. All employees impact the bottom line.
5. The Subaru Difference can easily be incorporated in daily responsibilities.

Channels

1. Training Classes
2. Inter-office mail
3. Intranet
4. Employee Briefing
5. CCTV
6. Memo
7. Staff Meetings

Audience: Regional Employees

Message

1. The Subaru Difference is not the Stellar Performers program.

2. The Subaru Difference does not only apply to dealers.
3. All employees impact the bottom line.
4. The Subaru Difference can easily be incorporated into daily responsibilities.

6. The Subaru Difference will improve job satisfaction.
7. The Subaru Difference will improve productivity of the company.
8. The Subaru Difference will provide consistency in how SOA conducts business.

Channels

1. Inside Track
2. Bulletin Board
3. Memo
4. Binder
5. Briefing
6. Online training class

Introduction (continued)

Strategic Action Plan

Subaru Difference Initiative

Current State:

- Two-leg customer strategic action plan has been initiated: SOA to Dealer Focus—
First leg is our corporate focus on process improvement methodology and standards training that impact all aspects of customer and dealer support provided by SOA Corporate, Regions, Independents, and FHI. SOA management and all regional / independent staffs receive process methodology training from GT

Group. All other SOA employees receive on-going problem solving and process improvement methodology training through SOA's HR Training program.

Dealer to Customer Focus—Second leg is the dealers focus on processes and Standards that impact the customer. Process improvement methodology and standards training are conducted by the GT Group with specific attention to areas that impact purchase and ownership experiences of Subaru customers. This leg is facilitated through the Stellar Performers Dealer Certification Program.

- Dealer Certification program introduced to Subaru dealers at the National Dealer Meeting in March 2001. We did not make specific reference to the name, Stellar Performers, at this meeting because it was pending approval by SOA Legal and FHI. Final name approval came in July.
- Program development and pilot dealer testing was on going throughout 2001.

Certification Program Key Elements are finalized

Categories (6)

- Facilities
- Sales
- Service
- Parts
- Marketing and Merchandising
- Human Resources

Individual Standards (46)

Standards Test Items (208)

- Current Dealer Participation
 - 264 enrolled
 - 235 Completed 2 Day Orientation & working to achieve certification
 - 12 Certified & 6 pending audit

Action Plans:

2002

- Increase SOA Employee Ownership and Buy-in for The Subaru Difference Initiative...Estimate Current Active Buy-in at 20-25% for HQ and Regional Staff.
All employees must be actively embracing and contributing to SOA's "Customer First" focused philosophy and strategies.
 - Meeting held with RVPs on 12/6/01 to review Subaru Difference Initiative and Stellar Performers Program progress as well as buy-in/ownership issues.
Reviewed regional responsibilities and objectives.
 - Meetings have been conducted January/February with four regions (all managers and field staff) to provide information and clarification for the Subaru Difference Initiative and reaffirm the two-leg strategy focus on Process Improvement and Standards. Responsibilities were clarified, goals identified, current and future plans / strategies shared. This same information was also shared in a January meeting with all GT Staff to assure there is complete unity and understanding regarding responsibilities and strategic goals.
 - Meetings will be scheduled through end of March with SER, Independent Distributors, and each department at SOA headquarters to communicate the need

for everyone to take ownership and get involved with the Subaru Difference Initiative and the Stellar Performers Certification Program. Complete by 4/15/02

- New position (Regional Loyalty Manager) was approved for 2002 and posted on 2/8/02. This position will greatly improve the ability to focus attention on customer needs at the regional level as well as address regional workload issues in supporting the Subaru Difference Initiative and Stellar Performers certification program. Fill Regional Positions by 5/15/02
- National Relationships and Loyalty training position was approved in 2001 and will soon be staffed. This position is essential to addressing a unified corporate customer loyalty focused training strategy and supporting increased employee ownership in the Subaru Difference Initiative. Position staffed by 3/31/02
- Achieve Certification of at least 194 Dealers in the Stellar Performers Program by year-end 2002.

- Current Status (as of 2/15/02)

264 Dealers Enrolled

235 Dealers have completed Orientations

12 Dealers have been certified

6 Dealers pending audit

- Conducted meetings with regions and GT Group Management to focus on workload strategies for progress of 2002-year certifications. Regions district teams (Sales/Service/Fixed Ops) should focus on having no more than 3 to 4 dealers actively working on certification at one time.

Minimum National Objectives for 2002:

--Orientations Completed..... 173

--Re-certifications Completed.....8

Total Certified.....194

- Enhance Subaru Difference Website To Improve Functionality.
 - System enhancements will be initiated during the first quarter of 2002 to improve system management capabilities and also improve functional needs for re-certification of dealers in the future. Complete by 4/30/02

- Finalize Development and Publish the Stellar Performers Program Manual for Distribution.
 - Work is continuing to focus attention on completing the necessary elements for publication and distribution of the Stellar Performers program manual. Several key components within the dealer benefits and rewards section are still being finalized. Complete by 3/31/02

- Prepare Exposition Presentation Action Plan for National Dealer Meeting (5/30-6/1) for Subaru Difference Initiative and Stellar Performers Certification Program.
 - Currently working with the planning committee regarding our participation in the National Dealer meeting and exposition. CRL area will focus on

promoting the Stellar Performers dealer certification program and discuss
Subaru Difference customer strategies and actions. Work in Process

- CDS---Enhance Departments Operational Quality and Efficiency
 - Two main areas to focus to improve operational quality for 2002 are personnel training and the purchase of the Quality Monitoring system.
 - Operational efficiency improvement will be addressed through four key areas of focus; reconfiguring personnel resources, Accounts Payable Automated Interface, claims coding system development, and integration of Stellar Performers Certification with CDS.
 - Develop CDS action plan to integrate ONSTAR coverage for customers.

- Improve Customer Relationship Management Tools
 - OLP Program...Improve loyalty-measuring capability by adding a longer term loyalty measuring component. Currently the OLP measures initial purchase and initial service experiences of our customers. We need an additional dimension that focuses on the customers' loyalty 5 to 7 years into their ownership, closer to the point of a repurchase decision. Currently this is under research and study.

Develop Action Plan by 10/02---Launch 2003

- Subaru Credit Card...Improve performance of the card as a customer retention tool and also as a revenue generator. Current action plan underway to replace

our current MBNA bank partner with Chase to greatly enhance overall marketing and promotional capability. Complete by 6/28/02

- Customer Data---OIS...Improve current deficiencies and limitations by coordinating development of a unified action plan to serve all user groups. Complete Assessment and Action Plan Development by 6/30/02

- Add National Level Customer Relations Training Focus

- National Customer Relationships and Loyalty training manager position will soon be filled. This position will address the absence of a unified corporate customer loyalty training strategy.
- First 90 days for this new employee will be spent in needs assessment and strategic action plan development. Staffed by 3/31/02

Key Stakeholders:

- CRL Group
- Chairman and Sr. Vice Presidents
- RVPs
- GT Group
- Legal
- Sales
- Service
- Parts
- E-Business
- IT

Statement of Problem

The primary problem regarding the Subaru Difference centralizes on CRM initiatives failing because of the difficulty to make employees on all levels understand that they are responsible for overall customer satisfaction. “For years managers and researchers have struggled to find recipes for combining human and organizational ingredients to produce efficiency, productivity, profitability and morale.”¹

Teamwork is the ultimate vehicle for facilitating integrated communications. It facilitates conversations across areas of expertise, cultures and ranks. It allows organizations to integrate processes and develop new insights. Facilitating systematic teamwork requires a shift in mind-set, away from the American tradition of rugged individualism. Such a shift is particularly difficult in marketing and communication departments, where notions of individualism and self-made stars remain prevalent.² Also, when employees were previously interviewed regarding the Subaru Difference, the majority of employees could not clearly state how the Subaru Difference applies to them or their department and employees were divided as to whether the Subaru Difference has been communicated effectively in the past. Employees were also divided as to whether they felt a part of the Subaru Difference as a whole. A sustainable corporate story should be conceived with the help of internal and external stakeholders and should reflect the key values that form the basis of the desired

¹ Moingeon, Bertrand; Soenen, Guillaume, *Corporate and Organizational Identities: Integrating Strategy, Marketing, Communication and Organizational Perspectives*. London: Routledge, 2002. p. 63.

² Gronstedt, Anders, *The Customer Century: Lessons from World-Class Companies in Integrated Marketing and Communications*. New York: Routledge, 2000. p. 129.

identity. For a change to be visible to a broad internal and external audience, a change of symbolism can be considered an effective tool.³

Purpose of the Study

The purpose of this study is multifaceted. The first purpose is to examine the Subaru Difference Initiative campaign of several years ago and see what aspects succeeded and also what areas need change. “I see change not as some dreaded set of awful events beyond our control but as a positive and inevitable force that invites us to share an adventure into the unknown.”⁴ Communication is an essential tool for accompanying change. It is a tool that is often used poorly or thoughtlessly. To the degree that it is used poorly in organizations, it confuses people. It makes them angry, and it feeds whatever skepticism or cynicism they feel about the motives of the people who lead them—in the process worsening their fears and making them more resistant to change.⁵ The second purpose is to evaluate the effectiveness of the Subaru Difference and the role it currently plays within the Subaru of America Corporation. The third purpose is to perform research to obtain a better understanding of how employees would like to be communicated with in the future regarding the Subaru

³ Moingeon, Bertrand; Soenen, Guillaume, *Corporate and Organizational Identities: Integrating Strategy, Marketing, Communication and Organizational Perspectives*. London: Routledge, 2002. p. 17.

⁴ Aprix, Roger D., *Communicating for Change: Connecting the Workplace with the Marketplace*. San Francisco: Jossey-Bass Publishers, 1996. p. 2-3.

⁵ Aprix, Roger D., *Communicating for Change: Connecting the Workplace with the Marketplace*. San Francisco: Jossey-Bass Publishers, 1996. p. 3

Difference and also what future steps can be taken to improve the overall clarity and effectiveness of this initiative. “We often treat work organizations as though they were monolithic collections of like-minded humans, all sharing a common perspective and viewpoint. We speak as though organizations can perceive and manage change according to their own needs and will. And yet the truth is that any organization is only a collection of individuals, each of whom is very different from the others. Organizations cannot change on their own. They do not themselves have any capacity for change because they are merely elaborate human inventions created to organize work and to fulfill the human need to belong to something bigger than oneself.”⁶

The Need for the Study

The need for the study emphasizes the strong customer focus that the Subaru Difference holds at its core. Of the many stakeholders responsible for making our corporations and organizations successful, it would be easy to argue that consumers are the most important. An organization may have a product or service, a method of distribution and an internal support structure, but if it does not have a consumer, it cannot exist or sustain itself. In the corporate world consumers buy products or services, generating cash flow that allows a company to grow and expand, to invest in improving itself and to make a profit. The opportunity that consumers

⁶ Aprix, Roger D., *Communicating for Change: Connecting the Workplace with the Marketplace*. San Francisco: Jossey-Bass Publishers, 1996. p. 15.

represent is the reason we organize in the first place. Consumers are an organization's greatest assets, and ones to be carefully managed.⁷ The customer relationship management needs to strengthen internally before it can develop to other areas of the company. In regards to CRM, employees of SOA need to be made aware of what the term customer relationship management means and also how that term can and must be taken into action. With employees as a primary capital asset, the leadership of such companies has had to begin to learn how to manage in very different ways. So far, they have not done a good job of educating their people to the realities of competition.⁸

The other aspect we must look at when discussing the need for this study is the room for change and what can be done. "Communication has a vital role in the transformations brought on by the change process as well as in just managing the day-to-day business."⁹ The study will examine internal employee change. The study will take a look at the management structure behind the organization and research on the top down management methods currently in practice. While many people in organizations today enact leadership roles, the CEO is typically the most visible. Serving as a spokesperson for the organization is only one leadership role, but it is a particularly prominent and important one. As spokesperson, the CEO typically sets

⁷ Caywood, Clarke L., *The Handbook of Strategic Public Relations & Integrated Communications*. Mass: McGraw-Hill, 1997. p. 139.

⁸ Aprix, Roger D., *Communicating for Change: Connecting the Workplace with the Marketplace*. San Francisco: Jossey-Bass Publishers, 1996. p. 152.

⁹ Kitchen, Philip J.; Schultz, Don E., *Raising the Corporate Umbrella: Corporate Communications in the 21st Century*. New York: Palgrave, 2001. p. 253.

the tone, suggests a culture and establishes a vision.¹⁰ It is imperative for the success of this study that a top officer group is behind the need for change and management as a whole must communicate to everyone in the SOA Corporation from top executives to workers in the mail room that they personally make a difference to customers on a daily basis. Given the current social and business context, CEOs cannot escape their role as corporate spokesperson. To be effective, they must communicate with a wide range of stakeholders, managing each set of relationships to achieve corporate goals. Since communication involves negotiating meanings-not just delivering them pre-packaged to a passive audience-CEOs, and those corporate communication professionals who work with them, must be vigilant in monitoring the dialectical tensions that characterize such relationships, and must develop communication skills for managing these tensions strategically.¹¹ The overall need for the study is to increase the low knowledge based within SOA employees regarding the Subaru Difference and customer relations management and also begin to change the hanging culture that embodies SOA. "Working as a team from day one sets the stage for a zero-based approach to any problem. "I think before any decision is made, before there is any preconceived notion of what this will look like or even what the objective is, you have to get all the people together that are going to participate."¹²

¹⁰ Kitchen, Philip J.; Schultz, Don E., *Raising the Corporate Umbrella: Corporate Communications in the 21st Century*. New York: Palgrave, 2001. p. 26.

¹¹ Kitchen, Philip J.; Schultz, Don E., *Raising the Corporate Umbrella: Corporate Communications in the 21st Century*. New York: Palgrave, 2001. p. 40.

¹² Gronstedt, Anders, *The Customer Century: Lessons from World-Class Companies in Integrated Marketing and Communications*. New York: Routledge, 2000. p. 127.

Limitations

The study was limited to several factors including the diverse audience within the SOA Corporation, time and resources, the headquarters being regionalized nationally, independent distributors of Subaru automotives, and the observed hesitance in answering the questionnaire to the complete truth. Other vital limitations of this study are the responses of the employees through the use of the questionnaire. Many employees might feel that their responses, positive or negative, could affect their job status (even though the questionnaire is anonymous.)

Since the author selected the participants for the face-to-face interviews upon availability, one cannot infer that the respondents' opinions represent the entire Subaru employee population. None of the face-to-face interviews captured demographic data that would allow for cross-tabulation of results. Also, since the author did not interview the CEO or Vice President, the results of the face-to-face research primarily represents a bottom-up-view of company communications.

Definition of Terms

SOA – Subaru of America, Inc. - a wholly-owned subsidiary of Fuji Heavy Industries Ltd. of Japan. Headquartered in Cherry Hill, N.J., the company markets and distributes

all-wheel drive Subaru vehicles, parts and accessories through a network of nearly 600 dealers across the United States.

CCTV – Closed Circuit Television - These TVs are located only at Subaru of America Inc. headquarters. They are used for internal purposes only and broadcast information such as month-end sales figures, upcoming employee and marketing events, etc.

OLP – Owner Loyalty Program - Surveys and other methods used to help measure and improve customer loyalty.

HQ – Headquarters - The physical location in Cherry Hill, New Jersey, where primarily the Executive, Administrative, Sales and Marketing staff of Subaru of America, Inc. work.

CRM – Customer Relations Management - a business strategy to identify, cultivate, and maintain long-term profitable customer relationships. It requires developing a method to select your most profitable customer relationships (or those with the most potential) and working to provide those customers with service that exceeds their expectations.

FHI - Fuji Heavy Industries – Parent company of Subaru of America, Inc. and manufacturer of Subaru vehicles.

AWD – All-Wheel-Drive - The Subaru system constantly monitors conditions and transfers power from the wheels that slip to the wheels that grip.

RVP – Regional Vice President - Vice President that oversees a particular region. There is one RVP for each region.

CRL - Customer Relationships and Loyalty - Department that focuses on customer relationships with Subaru. The Department continuously assesses and improves its internal processes and standards in all areas of the company, with emphasis on responsiveness to our dealers. In addition, the methodologies used by the department is also being introduced to Subaru Dealers to facilitate improvement in processes and standards with the emphasis focused on responsiveness to customers needs.

CDS - Customer Dealer Services - A department within Subaru of America, Inc. that handles customer and dealers issues, such as customer requests for brochures, dealer information, product information, client complaints, arbitrations, accident investigations and Lemon Law claims, as well assisting Subaru dealers with potential problem claims, trends, and claim adjustments, etc.

HR – Human Resources - Department responsible for recruiting, employee training, benefits, etc.

IT – Informational Technology - Department responsible for handling the company's computer needs and problems.

eBusiness – Electronic Business - Department responsible for communicating our brand messages as well as company philosophy and news to a mass audience electronically.

Chapter Two

Review of Related Research

The author reviewed the most important previous works related to this study and applicable to the change in internal communications in the corporate environment.

Extensive research was done using the Rowan University Campbell Library electronic databases, which searches all books, videos, academic journals, web sites, newspaper and magazine articles. The subjects searched under were “internal communications,” “internal communication,” “corporate identity,” “cultural change,” “organizational identities,” “organized perspectives,” “integrated communications,” “corporate communications,” “corporate communication,” “strategic public relations,” “relationship integration,” “internal corporate communications,” “corporate internal communications,” and the broad subject of “communication.”

The search engines used were Research Insight, Vale- ABI Inform, Digital Dissertations, Academic Search Premier, EBSCOhost, and Lexis-Nexis.

The majority of the information about corporate internal communication processes was found at <http://gateway.proquest.com> as well as additional books in print form.

Change Communication

Whether organizational change results from a merger, acquisition, new venture, new process improvement approach or management fads, employee communications can mean the success or failure of any major change program.

Many have reported the failure of mergers and other attempts at major change to capture the sought-after value. For instance, in a recent Harvard Business Review article, companies were reported as spending \$3.3 trillion in 1999 on mergers and acquisitions, yet "less than half ever reached their strategic and financial goals" (Ashkenas and Francis, 2000). In addition, one specialist in change management says, "Leading practitioners of radical corporate reengineering report that success rates in Fortune 1,000 companies are well below 50 percent; some say they are as low as 20 percent" (Strebel, 1996). Despite the facts that say otherwise, companies still think they will be different and that their merger, acquisition, improvement program, etc., and resulting change program will work.

What some companies still do not realize, however, is that without effective employee communication, change is impossible and change management fails. Thus, they do not apply the same analytical rigor to employee communications that they give to the financial and operational components of any change program. In his article, "Leading change: why transformation efforts fail," Kotter (1995) lists "under-communication" as one of the major reasons change efforts do not succeed. As he states: "Transformation is impossible unless hundreds or thousands of people are willing to help, often to the point of making short-term sacrifices."

Employees will not make sacrifices, even if they are unhappy with the status quo, unless they believe that useful change is possible. Without credible communication, and a lot of it, the hearts and minds of the troops are never captured (Kotter, 1995).

Strategic Employee Communication Model with the best practice definitions, which are composites of effective employee communication examples collected from researching selected Fortune 500 companies, help management understand the strategic role of employee communication in a high-performing company. The model functions as an analytical tool to diagnose a company's strengths and weaknesses in employee communication so that the company can structure the change communication program and position communication to facilitate the overall change program.

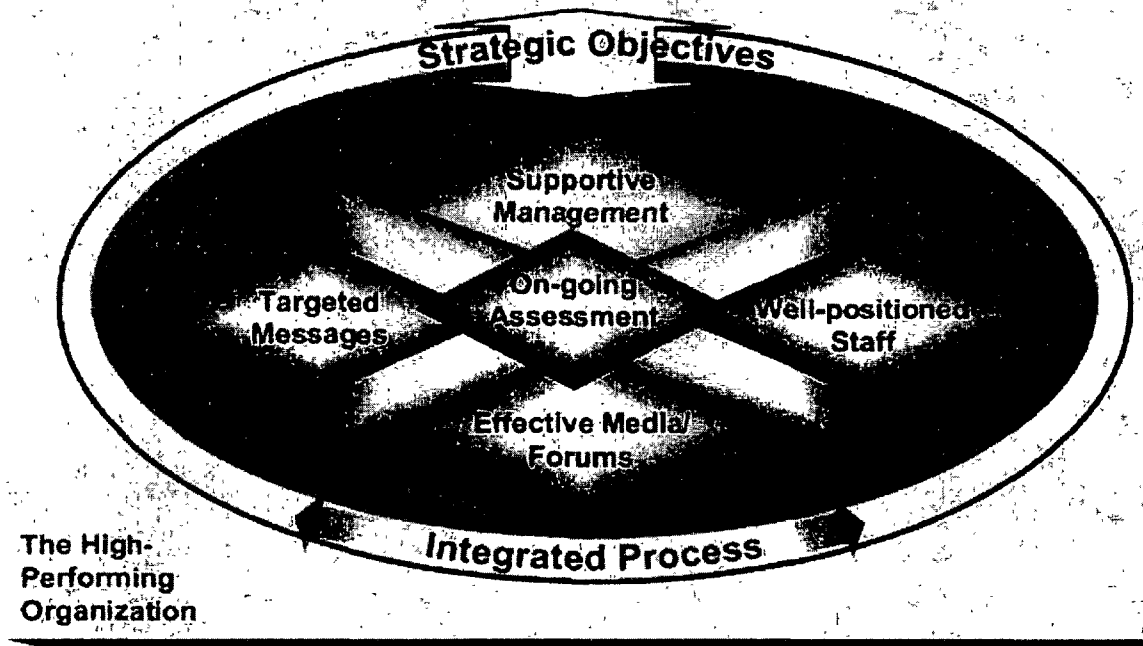
The Strategic Employee Communication Model provides the analytical tool to assess and improve employee communications, thus forming the foundation for using strategic employee communication to facilitate change. In a change communication program, the model and the best practice definitions serve three primary purposes:

- (1) to illustrate effective employee communications in the context of the high-performing organization (one way to get senior management to listen);
- (2) to provide an analytical tool to diagnose a company's communication strengths and weaknesses; and
- (3) to frame the change program and the resulting recommendations to improve employee communications so that communication will be positioned to help drive the change.

The Strategic Employee Communication Model (Figure 1) can be used to help management understand the strategic role communication plays in the day-to-day success of any company as well as during major change and can help overcome the "everything"

and the "publication-limited" perceptions on communication. The model grew out of researching high-performing companies and others to find out what really works when it comes to employee communication. From these examples, a best practice composite definition of what successful companies are doing was created. While no company would exemplify each best practice exactly as presented, high-performing companies demonstrate many of the best practice definitions.

Figure 1 Strategic Employee Communication Model



The model captures all of the major components of employee communications linking them to each other and to the company's strategy and operations. Thus, it works analytically to break employee communication down into manageable, recognizable parts. At the same time, it shows how intertwined and interdependent each part is when employee communication is positioned strategically as it must be to facilitate change.

The traditional communication components, such as messages and media, are at the heart of the model. The direct link to the company's strategic objectives and the business planning process and the overlay of supportive management with on-going assessment of individual and company communication move the model from the tactical to the strategic level.

Strategic objectives. In high-performing companies, employee communication reinforces the company's strategic objectives. There should be a one-to-one correlation between what the company has established as its strategic objectives and what is listed as the objectives for the communications. In addition, the communications must be structured to translate the central strategic messages (from vision to performance or financial goals) to all employees.

Supportive management. Top-level and mid-level management must be directly involved in and assume responsibility for communications up, down, and across the organization. In a major change situation as well as for day-to-day operations, communication is not just what the communication staff does. Managers must model the behavior they expect of their employees, the old adage of "walking the talk." They set the tone for an open or closed flow of information. Without them, the channels of communication cannot flow freely.

Targeted messages. Targeted messages are very simply, information tailored to the audience (i.e. messages in different words for different people when necessary), so that the information is relevant and meaningful, at the same time that it is consistent. Thus, each business unit or division must tailor the important messages to its employees,

and if necessary, convert the overall message of the corporate center into the digestible and actionable messages the employees can understand and act upon.

Effective media/forums. Effective employee communication uses all vehicles to reach its audiences, but most importantly, it relies on direct, face-to-face communication over indirect, print or electronic media. Thus, interpersonal communication training, meeting management, and facilitation skills are necessary for all managers.

Well-positioned staff. The communication staff needs to be close to the most important business issues, involved in the strategic and business planning processes. They must have a "seat at the table." Being a member of the senior management team allows the senior communication officer to understand the company's strategy and to participate in the decision making. In addition, the communication staff should be seen as facilitators of change, not just as producers of publications.

Ongoing assessment. The effectiveness of the company's communication needs to be measured company-wide formally and frequently against clearly defined goals on an ongoing basis and throughout the key stages of any major change. In addition, communication effectiveness needs to be evaluated as part of each employee's individual performance appraisal with the appropriate recognition for excellence.

Integrated processes. Communication needs to be integrated into the business processes with communication milestones included in the business plan and as part of the business planning process. Thus, communication should be placed on the agenda of meetings and built into the management discussion of strategic objectives and planning.

By using the model and best practice definitions, a company can create very tangible communication goals for employee communication improvement and the change communication program. The model serves as a tool to approach employee communication as a company would any analysis that is breaking the whole down into manageable, carefully defined parts. These definitions can serve as a benchmark against which companies can measure the potential need for communications improvement in their organization so that employee communication will help in facilitating the change program.

Using the Strategic Employee Communication Model to facilitate change

The design of the change communication program needs to grow out of the size of the change program and the company's current communication practices. Is the proposed change major or incremental? Is the change company-wide or business unit specific? How many employees are involved and affected? How effective are the current communication practices? Are they strong enough to carry a major change program? If the changes are major and essential to company performance, companies cannot afford not to improve the current communication practices if they find them lacking. They must devote the necessary time and resources required to assess and improve employee communication before they launch the change program; otherwise, the change program will never get off of the ground.

The specifics of any change communication program are particular to the company; therefore, they must come from inside the organization and not from outside. An approach off the shelf seldom, if ever, works for any organization. No one should

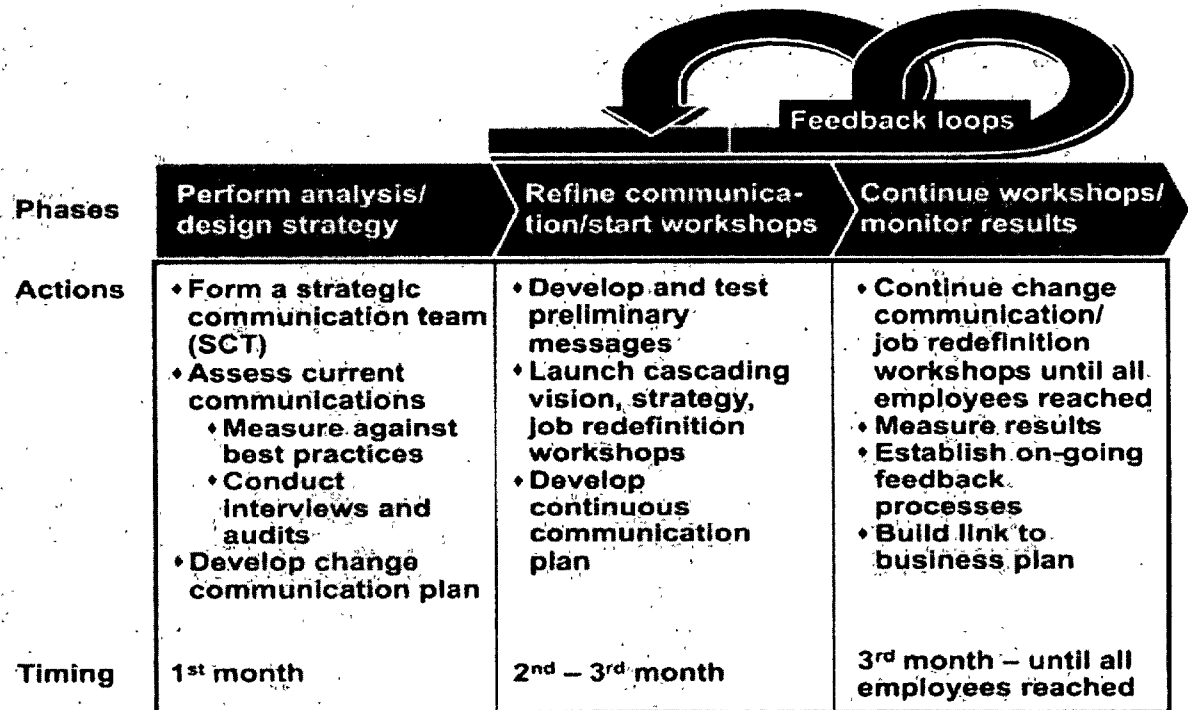
force the Strategic Employee Communication Model or any other model on a company from the outside. Instead, the Strategic Employee Communication Model and change communication approach should be used to work from the inside of the organization to determine what is needed and to design the appropriate change communication program to fit those needs. Thus, the model provides an analytical tool to diagnose a company's communication strengths and weaknesses and to frame the change communication plan and resulting program.

The action plan below can be looked at as one way to map out a company's program, one that has been successful and that can be adapted to a company's particular needs (Figure 2). Each of the three phases contains the specific actions that are to be taken to implement the change communication program. They may vary slightly from company to company, and they will evolve as the change program evolves; thus, the feedback loops indicate information coming in that influences the action plan once the change program is under way. Any action plan is a living plan although phases and most of the actions represented here will need to occur in most change programs.

The first phase of analysis and strategy development is critical to the success of any change program. The analytical phase for change communication is often the phase management will omit or minimize because they fail to recognize its significance, fail to see communication planning as strategic, or fail to see their way clear to allowing the time and attention it needs; however, without the careful analysis of the current employee communication situation, the company is shooting in the dark in developing the change

communication program. It does not know where the communication breakdowns are and how best to reach the organization with the key change messages.¹³

Figure 2: Three-phased communication strategy plan



Another study examined explores the internal communication and the successful implementation of change management programs. Twenty-first century organizations have high on their strategic and operational agendas a preoccupation with the concept of change. This is because of many issues which either have impacted or will impact on organizational performance. These include such issues as: globalization, "localization," deregulation, privatization, mergers, acquisitions, the movement of labor toward less expensive economic locations, revolutionary advances in technology; and, empowering

¹³ Barrett, Deborah J., *Change Communication: Using Strategic Employee Communication to Facilitate Major Change* [article on-line] *Corporate Communications*, 2002, Vol. 7 Issue 4, pg. 219, 13pgs, accessed 1 April 2004; available from <http://gateway.proquest.com>; Internet.

of consumers coupled with changes in demand patterns. These are all indicative of a new dynamic revolutionary business environment. Micklethwait (1999) reminds us that managers should: "start with the presumption that in business, even more than politics, the only constant is change". Today, the riskiest of all strategies is "inaction" (Wind and Main, 1999). Despite these well-articulated statements, however, the failure rate for management programs intended to implement change can run as high as 70 per cent (Senge et al., 1999; Patterson, 2000). To this Gilsdorf (1998) adds that "organizations, relying on human beings to create and deliver products and services, lose serious money and see productivity eroded when errors are made". Gilsdorf contends that many mistakes in change management programs can be linked directly to, and have causal connections with, breakdowns in communication.

Factors such as - maintaining the status quo, success or failure, survival and growth, and many others, are all addressed in the management literature concerning change, as is the need for managers to understand what drives change and how change can successfully be achieved. But, is it just as important to ask questions such as:

Why do change management programs frequently go wrong?

How can failure be avoided?

How can the risk associated with change be reduced?

Identifying key factors involved in organizational survival and growth is one of the main factors that must be considered when preparing for change.

Management of knowledge, employees and internal communication are all identified in current business management literature as being instrumental in terms of organizational survival and growth. With regard to the first of these factors, knowledge, Stewart (1997) comments "you would be hard pressed to find a single industry, a single company, a single organization of any kind, that has not become more 'knowledge intensive', dependent on knowledge as a source of what attracts customers and clients". Drucker (1993) earlier had argued that in the new economy, knowledge is not just another resource alongside the traditional factors of production, i.e. land, labor and capital but is the only meaningful resource, "the knowledge worker is the single greatest asset". The link between knowledge and the employee was further expanded by Grant (1997) who claims that "if knowledge is the pre-eminent productive resource, and most knowledge is created by and stored within individuals, then employees are the primary stakeholders. The principle management challenge ... is establishing mechanisms by which co-operating individuals can co-ordinate their activity in order to integrate their knowledge into productive activities." This supports Porter's (1985) views that "human resource management affects competitive advantage ... and in some industries it holds the key to competitive advantage." Managing people successfully requires communication, and according to Hargie and Tourish (1993) the quality of communication between the people who make up an organization is "a crucial variable determining organizational success." Some writers have even identified a positive link between the flow of information within an organization and levels of absenteeism and productivity (Schweiger and Denisi, 1991). In essence, "internal communication is so entwined with the process of organizing and with organizational structure, environment, power, and

culture that many theorists of organizational communication argue that organizations would not exist without communication" Grunig (1992). Therefore, internal communication is not only a crucial variable in relation to achieving organizational success, it is also a precursor for organizational existence as well.

To understand the interrelationship between change management and internal communication, it is important first to understand each topic in its own right. From such an analysis it can then be seen how both subjects interlink with each other.

Change management

According to Burnes (1992), "change management is not a distinct discipline with rigid clearly defined boundaries. Rather, the theory and practice of change management draws on a number of social science disciplines and traditions." A great deal has been written about change management, both from a theoretical and applied perspective. This is because, while change management is not a specific discipline, it acknowledges the reality that organizations operate in changing environments. Organizations and their staff also want to know how they can cope, with and capitalize on, change. But, ironically people "both fear and seek change" Senge (1990). So like a crisis, change presents both risk and opportunity. Also, change is endemic and according to Quirke (1995) "change" can be added to the other two certainties in life taxes and death.

The study of organizational change is at the very core of management and organizational behavior: it can "take many forms; it can be planned or unplanned, incremental or radical, and recurrent or unprecedented" (Cooper and Argyris, 1998).

Whether change is continuous or discontinuous depends upon the business environment. Continuous change assumes gradual shifts in factors such as consumer demand, government legislation, or the general state of the economy. This allows organizations to strategize and plan in a "proactive purposeful" manner as described by Gaddis (1997). But discontinuous change is much more dramatic and can alter the nature of whole industries and economies beyond recognition. Examples of such change would include the transformation of the former Eastern European block countries to Western style democratic capitalism in the late 1980s (Clarke and Clegg, 1998). Such radical change requires a greater innovative responsiveness (Gaddis, 1997). Handy (1991) felt that change was becoming more discontinuous and may even transform the rules of competition and the utilization of resources within any given business sector. Thus, it is evident that the "business environment has become less predictable, with more frequent unknowns that are less readily subject to rational interpretation" (Clarke and Clegg, 1998). The challenge for today is not so much to plan for change but to learn to live with it, anticipate it, and where possible - capitalize on it.

At an organizational level, businesses have always been preoccupied with change as managers try to find ways of capitalizing on opportunities created by economic and technological developments. Undoubtedly, all organizations are faced with change, but some are perceived to operate in more dynamic environments than others. For example, consider the business environments of the fledgling "dotcoms", enterprises who were displacing traditional bricks and mortar businesses from London's FT 100 share index in the early part of 2000, while having limited apparent asset values and non-existent profits (The Economist, 2000a). There are also many examples of companies who became

"blinded by success" and failed to notice that the market was changing around them (Cope, 2000; Heller, 1998, pp. 53-5; McDonald, 1998). Or, put another way strengths that helped build organizations subsequently become part of the reason for organizational decline. So, change management means much more than changing organizational charts, it means changing the very nature of organizations and the ways in which they do business (Murdoch, 1997). Change management implies an ongoing attempt to understand industry dynamics which businesses must operate in, as well as the organization's own internal dynamics. Based on this understanding, management must proactively manage the resources it has in such a way as to satisfy market and organizational needs in the case of commercial enterprises. Managers must also recognize - and set up the data-gathering techniques and systems to spot the opportunities and constraints imposed upon the company by the business environment. So "change within an organization takes place both in response to business and economic events and to processes of managerial perception, choice and actions" (Pettigrew, 1985).

Knowing what drives change and what impinges on organizational ability to manage change is also important. Gilgeous (1997) presents the following external and internal factors as reasons for the initiation of change programs within organizations: external factors, new technology, changes in the marketplace, changing customer expectations, competitor activities, quality and standards, government legislation and prevailing political values and economic cycles.

Gilgeous (1997) further argued that as the relations alter between these factors the organization realizes the need for change. But this, in itself, does not illustrate the

complexity of relationships between these factors or indeed their constant state of flux. Dawson (1994) reflects this to a certain degree when he suggests that external and internal triggers of change are, in fact, interdependent.

Matheson and Matheson (1998), in their research into effective organizations, summarized the factors that impede the successful implementation of change management programs under the following headings:

internal focus;

lack of credibility;

secrecy;

lack of proper skills;

lack of resources;

lack of discipline;

lack of strategy;

metrics are misused;

tendency to oversimplify;

people are reluctant to change;

power and politics.

However, many of these factors highlight how pivotal employees are in relation to effective change management. As Pfeffer (1978) notes, "organizations are political systems, coalitions of interest and rationality defined only with respect to unitary and consistent ordering of preferences". It is when the status quo or balance is upset by change or the prospect of change that politics within an organizational context can be deployed to frustrate the process. Mintzberg (1983) though took a more benign attitude to the organizational political process, maintaining that when political games are used in moderation, they can be healthy at keeping the entity on its toes.

The factors outlined by Matheson and Matheson (1998) essentially look at how information concerning change is disseminated within organizations and how that information may be interpreted by employees. For many organizations, however, this process is not a positive one with many corporate change programs having a "distinct tilt" towards failure (Kotter, 1996). For Kotter, communicating to employees the need for change and how it can be achieved is critical to the successful management of change. Indeed employees or how they are engaged in the change process is often portrayed as the determining factor in whether organizational change is achieved or not (Peters and Waterman, 1982; Porter, 1985; Kanter, 1983; Heller, 1998; Clarke and Clegg, 1998). This is partly because "employees are among those groups that are crucial to an organization. Depending on their perception of the organization they will communicate positive or negative messages to other important members and coalitions inside and outside the firm as well. These external publics, constituencies or stakeholders may include community members, key influentials, financial groups, politicians, and consumer groups" (Kitchen, 1997). Argenti (1998) goes further by stating that "once a

company has lost the faith and goodwill of its employees, it faces an uphill battle as it tries to correct its errors and rebuild credibility with the very people who hold the future of most corporations in their grasp". Heller (1998) also points out that regardless of what drives change within an organization, managers must realize that "remedies won't work, unless the re-engineers [change program managers] can reengineer the most crucial element of all: themselves."

Given that organizations operate in environments which are in a state of dynamic flux, facing tomorrow's problems requires a fresh outlook or even "creative upside-down thinking". New ways of thinking about familiar things can release new energies and make all manner of things possible (Handy, 1991). So change is not just about how people act, but it is also about how they think as well. This forms a basis for the link between change management in organizations and internal communication with the people responsible for making those changes happen. "An organization is, after all, a collection of people and what the organization does is done by people" (March and Simon, 1958).¹⁴

This next study posits that the context of internal communication is changing rapidly, and that most organizations are seeking to reduce communications.

The context for internal communication is changing fast. No longer is the internal communication function merely responsible for managing media. Today's aim is to reduce communication pollution in order to increase individual understanding. The

¹⁴ Kitchen, Philip J; Daly, Finbarr, *Internal Communication During Change Management* [article on-line] Corporate Communications, 2002, Vol. 7 Issue 1, pg. 46, 8pgs, accessed 2 April 2004; available from <http://gateway.proquest.com>; Internet.

challenge lies not in more media, but in reconciling the capacity of the audience with the often undisciplined torrent of information from devolved management.

However, individual understanding is, and will continue to be, created by more than the efficient management and dissemination of information. The never-ending supply of change processes is, in some cases, turning employees into automatons with little time to think for themselves or to question and contribute to the adaptation of the organization.

At the same time, contradictory statements are expressed by the management about openness and involvement. These tend to frustrate employees rather than inspire them. The fundamental choice seems to be between admitting either that the new work contract is a no-frills transaction of basic conditions for labor and competence, or one in which other contextual conditions and needs are met.

Our view is that this minimalist view of work as a bare transaction misses the added value a company can achieve by fulfilling the fundamental need to humanize work. The opportunity is for employers to recognize that the relationship between individuals and the organization is sacrosanct and powerful, and so to consider it a rightful place for investment.

The role of communication in managing change

Changing the organization is still primarily considered to be the preserve of traditional management consultants dealing in the currencies of strategy, structure, technology and process. Much positive change is undoubtedly created by this approach. It

seems, however, from recent research, that a lot of change is not implemented because the human occupants of the changed organization have not been involved in understanding, and thereby owning, the changes around them. Without ownership and understanding there is likely to be compliance and fear.

Communication has two key objectives in the management of change. The first is to facilitate understanding by those who need to adopt new processes of what will change and why. The second is to provide a process whereby employees' expertise can usefully influence the design, or the how, of that change. At Smythe Dorward Lambert, we have identified nine practical roles for internal communication within change.

The cultural conscience of the organization

The predominant style of relationships which exist in an organization between management and employees is the most tangible experience that employees will have of that organization's culture - and will, in turn, shape their own values and belief in the company. It is through day-to-day relationships, up, down and across the organization, that employees learn which behaviors are rewarded and valued. They observe role models of leaders and counterculture heroes, and model their own behaviors on these. They soon join the sub-cultures which seem to make up the organization, assimilating values and behaviors in the most powerful of learning environments: the workplace, the restroom and the cigarette break.

The advent of the virtual workplace also raises important questions about how the "gluing" role of culture will be exerted in circumstances where people do not meet so much or at all. If cyber sex is possible and desirable, will cyber culture be a reality too?

If we are right about the gateway role that relationships play in determining and sustaining corporate culture, and our experience provides much anecdotal evidence that it does, then efforts to manage and change culture should be directed towards mapping and understanding relationships. The problem with culture has lain in its slippery definition. Relationship styles and their effect are, by contrast, definable, measurable and, therefore, manageable.

The role for organizational communication is threefold:

- (1) provide the instruments to measure relationship styles;
- (2) facilitate debate, among the leaders of the organization, on what kind of relationship styles will be most useful;
- (3) work with others to refine the development processes that will modify relationship styles.

If, as seems likely, the styles of relationship are critical to retaining customers, employees and productive supplier and partner alliances, communication will become increasingly important as the cultural conscience of the organization.

Interpreter of ethics and facilitator of values

Organizations can still be little islands where internal values override the ethics of the society around them. Until recently, insurance companies tried to stay behind the old veil of secrecy that enabled them to hide changes. Unsurprisingly, perhaps, they were a favored source of employment for ex-military men who found this veil comfortable. The veil is now being cut away and yet many are still expending energy defending it, rather than making an opportunity of disclosure.

The communication role is to understand the expectations and ethics with which the organization must be aligned. The knock on of this responsibility is to facilitate the articulation of values and behaviors that should characterize the relationships among employees and key external groups. The practical role extends to the definition of communication competences which will exemplify the desired relationship style. These competences will need to be built into job roles, goal setting and appraisals.

Integrator of the internal culture and external brand

In the 1980s, retail banks were the butt of jokes because their external advertising and promotion made promises that did not tie in with customers' real experience. An emerging communication role is to reconcile the thinking and the programs conceived by the inward- and outward-facing communication disciples, in such a way that the promise and the experience are aligned.

Big picture context

There is a need to weave a rational story between the various initiatives that employees are being asked to implement. At the heart of this is the need for color and a

sense of seasons in our work. Already, too many people's work experience is a grey one, performed in an air-conditioned box, dealing with increasing amounts of change of which they feel no part. The communication role is to use the channels and media of communication creatively to tell stories about new procedures, processes and products and to put them into the context of the vision in a way that both compels and motivates.

This is where the idea of seasons comes in. Although few of us depend on the land, we are all deeply affected by the change of seasons. We celebrate spring, bask in the summer, feel melancholy in autumn and hibernate a bit in winter. The year is broken up for us. We can take the analogy of the farmer's continuing rituals of sowing and harvesting to build opportunities for reflection, celebration and learning from mistakes into the corporate year. Many of those already exist. The annual results event is the corporate version of the harvest supper. The planning cycle is the sowing period. Well-planned rituals can help people to see their efforts as part of a holistic cycle in which they have a stake holding.

In practical terms, this means developing a communication calendar that reflects the planning cycle. The calendar identifies the main changes and initiatives that warrant communication support over the period covered by the plan.

The facilitator of re-visioning

Organizations with vision sparkle with new ideas and make big leaps in competitive advantage. The quest to build a visioning ethos into organizations has fallen into the barren territory of producing vision statements that inspire no one. The real task

is to hijack the often dull planning process and to license a period of imagination in which the leaders and selected members of the organization are invited to play the game of Predator.

Predator asks participants to imagine that they are a well-capitalized team of new entrants to the business by which, in real life, they are already employed. They must produce a vicious entry strategy designed to remove market advantage from their current employer.

Encouraging people to think the unthinkable teaches them to think outside the box and produces leaps of vision that can be turned into strategy. The communication role is to build an inspiring re-visioning process into the planning process and feed the results into the communication of the big picture.

Real-time communication - the transparency of decisions

Yesterday's corporation was brought up in the ethos of institutionalized secrecy, a legacy from the Civil Service and a hangover from the 30-year rule governing military activities. In the worst cases, the term Pravda is used to describe the house newspaper with its corporate blurring of the facts. While other newsletters have been prized for their moral authority, all are constrained by the relatively slow technology that is inherent in print; but not any more.

Real-time communication of decisions is a role born of necessity. The decision makers now need quick implementation and the recipients want clear, quick and honest reporting. They do not want top management to fight proxy wars via the way decisions

are reported. This means allowing communicators access to the decision-making forums and using fast technology to distribute this information.

Another advantage of speed lies in the improved psychological health of the organization. Transparency makes it much harder for complicated and time-consuming deceptions to be protected. Trust levels, expected and achieved, are likely to be much higher. Small organizations, or those which are honest, do this naturally. Large organizations need to decide to do it and to have the process and the energy in place.

Productive consultation, involvement and empowerment

A repeating theme in this debate is the balance between a culture that encourages "natural" involvement on the one hand and the need, on the other, to put appropriate processes in place. Both are essential. The central issue is management's attitude about the role of employees in the decision-making process. Boldly put: are employees there to implement the ideas of the few without question or influence? Or is there value to be derived from taking the time to seek and make use of employee input?

In too many cases there is a double standard where involvement is talked about and promised, and there may even be a process in place, but employees' ideas, once gleaned, are ignored. The communication role is to flush out whether there is a genuine need and desire by management to involve employees and, if there is, to design a process to realize the desire.

Real-time listening

Listening skills are a fundamental part of effective relationships. Listening is an active part of any conversation or dialogue. Reflect on how your organization listens. No doubt there are good listening skills employed by some individuals. There may be the grand ritual of the annual or occasional survey, which is more akin to auditing than listening. It is certainly not real-time.

The role of real-time listening is a central part of the psychological good health of an organization. If the organization is to become a real-time communicator, it cannot do so unless it is listening in real time to what:

- * has been heard;
- * people want to know more about;
- * is concerning people.

There must, therefore, be a cyclical process in place to listen and engage management in hearing what has been fed back, and responding so that there is a real connection between communication and listening. Think of it as a constant voting process through which, probably via electronic means, management can stay in touch with the pulse of employees and slow down, speed up, re-clarify or try again when soundings suggest.

The communication planner

Today management is being increasingly devolved to business units, countries and teams, leading to a more three-dimensional type of management. Much of this is

empowering and liberating. However, a side effect is the swamping of employees with information from multiple sources. This suggests the need for a new communication planning role that of information broker marrying the information needs of the audience with that of the suppliers. In effect, this means acting in the manner of an air traffic controller, only permitting digestible quantities of highly targeted and tailored information to be discharged to employees at any one time. This role, as with all the other eight communication roles, will be a required competence of tomorrow's manager.

The discipline of organizational communication has arrived and the thinking has begun in earnest. We must now turn these thoughts into action if we are to ensure today's organizations are the companies of tomorrow.¹⁵

How do large organizations achieve internal alignment with vision and objectives? How do they effectively communicate about restructuring and change?

The International Benchmarking Clearinghouse recently concluded a study that reviewed how ten companies, including Xerox, Motorola, Levi Strauss, Hallmark, 3M, and Texas Instruments, use internal communications as a strategic function to implement change. The study identified the key enablers of effective internal communications about change, the processes for achieving alignment within an organization, and the best ways to communicate about restructuring and change. The study was sponsored by 16 companies.

¹⁵ Smythe, John, *The Changing Role of Internal Communication in Tomorrow's Company* [article on-line] Corporate Communications, 1997, Vol. 2 Issue 1, pg. 4, 4pgs, accessed 5 April 2004; available from <http://gateway.proquest.com>; Internet.

Key enablers of effective communications for achieving alignment are the roles and responsibilities of executives, managers, and employees.

The chief executive and top management team must be visionary, credible, and empowering. They must serve as champions and role models in the change process.

Internal communications professionals must serve the entire organization as keepers of the vision and agents of change. They must communicate the vision and mission of the organization in ways that persuade employees to internalize a commitment to the key messages.

Middle managers are responsible for helping their teams understand how unit decisions and outputs fit into division and corporate goals. They also play a key role in gathering feedback from employees and passing it up through organizational channels.

Employees share the responsibility for communicating by providing feedback through the vehicles provided. Employees that are empowered to make decisions are more motivated to accept this responsibility.

Achieving alignment requires three stages: Planning, which includes shaping the vision, designing the messages, and developing a plan for disseminating them throughout the organization.

Deployment, which involves four methods, is as follows: cascading the messages to employees at all levels; linking individual unit objectives with the corporate mission; repeatedly broadcasting strategic messages through all types of communication media;

and catchball, a Japanese concept that facilitates horizontal alignment and seamless integration of customer-supplier relationships and feedback, which assesses if messages were received, understood, and internalized.

Communicating restructuring and change requires three steps. The benchmarking partners were highly uniform in their agreement about the importance of these steps. Planning should involve both human resources and communications professionals. Key leaders must also be involved in this phase to provide credibility and to influence others in seeing the need for change.

Implementation must begin as soon as plans are made to ease anxiety and negate the rumor mill. Internal and external information releases must be coordinated, and communications content must include the rationale for change. Face-to-face communication is preferred when informing employees who will be affected by the change.

Aftercare, a step that is often overlooked, is important to lessen the impact of restructuring on the morale and motivation of the surviving employees. A program of aftercare, including both face-to face meetings and other communications, also helps to reinforce organizational objectives and the need for change.

While the study found unanimity on the steps necessary for creating alignment and implementing change, it concluded that specific innovative practices used in one company may have limited usefulness in another company. During the site visits, it

became clear that each organization's structure and culture have a profound influence on its needs and processes for internal communications.¹⁶

¹⁶ Powers, Vicki J., *Internal Communications as a Strategic Function* [article on-line] *Strategy & Leadership*, Mar/Apr 1997, Vol. 25 Issue 2, pg. 44, 1pgs, accessed 6 April 2004; available from <http://gateway.proquest.com>; Internet.

Internal Communications

Interestingly, definitions and discussions concerning internal communication do not abound in either the academic or practitioner literature, but the function is widely discussed under the headings of employee communication (Argenti, 1998), organizational communication (Grunig, 1992) and corporate or business communication (Kitchen, 1997; Rawlins, 1993; Oliver, 1997). But the main thrust remains the same, in an ever-changing business environment, "as companies become more focused on retaining a happy [effective] workforce with changing values ... they [organizations] have necessarily had to think more now than in the past about how they communicate with employees through what is also often called internal communication" (Argenti, 1998). But flatter organizational structures, permanent, temporary, contract and casual employees have meant that "identifying who belongs and who does not" is becoming more difficult (Daymon, 1999). This is further compounded by the fact that organizations have both formal and informal structures (Rosengren, 2000) through which information is disseminated. According to Pearson and Thomas (1997) effective communications means that managers must also take cognizance of what employees: must know, key job-specific information, should know and essential but desirable organizational information, e.g. changes in senior management. All of which makes the task of effective communication within organizations even more challenging.

Communication is regarded as a key issue in the successful implementation of change programs because it is used as a tool for announcing, explaining or preparing people for change and preparing them for the positive and negative effects of the

impending change (Spike and Lesser, 1995). Internal communication can also increase understanding of the commitment to change as well as reducing confusion and resistance to it (Lippitt, 1997). Grunig (1992) goes further by stating that "internal communication ... is the catalyst if not the key to organizational excellence and effectiveness". Based on the fact that internal communication is recognized in literature as having a role in the implementation of change management programs, it is now important to understand what factors impede or facilitate effective communication within an organization.

Organizations require different approaches to internal communication and factors that need to be considered include: type of business, size of business, organizational culture, managerial style, financial resources, staff and the stability or volatility of the business environment (Kitchen, 1997). Also according to Harshman and Harshman (1999) communication within organizations is a key factor in influencing how well organizations perform. Hall (1980) goes further to state that "high on the diagnostic checklist of corporate health is communication". An observation which is backed up by Lyden and Klengale's (2000) research. They discovered that numerous symptoms of declining organizational health exist. The major symptoms are common:

declining profits;

decreasing productivity;

increasing absenteeism;

barriers to open communication;

all decision making is at the top of the managerial pyramid;

lack of employee commitment to the organization;

low levels of motivation and morale;

the reputation of the organization is ignored by employees;

existence of unethical behavior;

lack of goal setting;

lack of mentoring;

lack of development and training programs;

lack of trust among employees.

To assess the prevalence of such "organizational health" problems, the authors recommend examining 11 separate but related dimensions, which are listed below, by asking employees about their perceptions pertaining to each dimension:

(1) internal communication;

(2) employee participation and involvement;

(3) employee loyalty and commitment;

(4) staff morale;

(5) institutional reputation;

(6) ethics;

(7) recognition of employees' contribution;

8) alignment of corporate, department, team as well as individual goals;

(9) leadership;

(10) employee development opportunities;

(11) resource utilization.

Answers to these issues will help identify difficulties within organizations that are employee centered - what they think, what they do, and where and how informal communication takes place.

DeGreene (1982) cites many difficulties which result in communication problems within organizations. These include transmission problems such as one-sided (especially downward) communication processes; suppression of information; mistakes in the facts being communicated; the grapevine and rumor mill, and purposeful distortion. He also states that receivers of information may misinterpret information given, purposefully, or they simply may not be listening. But these factors do not reflect the complexities of the environment that organizations work in and how they impact on the communication processes within organizations. Even the type of language used with different employees or groups of staff will impact on the efficacy of a company's internal communication. "In

brief, words and the meanings they create and convey matter. They matter a great deal" (Marshak and Keenoy, 2000) But Alvesson et al.'s (2000) research into discourse analysis within the organizational context does highlight some research problems in this area. "The great majority of empirical studies treat language in a simplistic, uncritical and misleading way. Efforts to produce and check reliable measures rarely involve any deeper reflections on the nature of language" (Alvesson et al., 2000).

Another issue of importance within the realm of employee communication is the rules used for communicating within a firm. Research by Gilsdorf (1998) highlighted that 20 per cent of specific types of communication problems "could have been prevented or solved by communication policy guidelines". Other issues raised in this study showed that participants believed that poor managerial oversight and the inappropriateness of cues from the corporate culture also created problems. These factors, at least in this study, had resulted in falls in profitability and decline in terms of organizational effectiveness.

Bratton and Gold (1999) outline what they see as imperatives for successful organizational communication in today's business world. They stress that:

communicating is fundamental to the process of organizing;

understanding organizational communication provides insights into management strategies;

there should be commitment from senior management to communication;

effective leadership skills encompass communication skills;

management should take responsibility for devising and maintaining the communication system;

a combination of written and face-to-face channels is best;

messages should be perceived to be relevant to employees;

messages should be consistent with actions;

training in communication skills increases the effectiveness of the system;

the communication system should be monitored and evaluated.

For many employees, organizational changes mean moving away from the established routines and systems toward an uncertain future - a future fraught with negative and potentially positive outcomes. Organizations and businesses of all types, therefore, need to inculcate positive attitudes toward change among employees. Burnes (1992) emphasized this when he stated that "communication is a way of avoiding the uncertainty that change can promote." But, he went on: "understanding and gaining commitment to a new direction is never an easy task, especially in large enterprises. Smart people make mistakes and outright failure is not uncommon, even in well-known firms". Meanwhile, Kotter (1996) noted that: "managers under-communicate, and often not by a small amount". For most organizations change is pervasive and employees are an integral part of the change process and how it is managed. But "employees can only work

effectively if they can participate in the organization and they can only participate if they are fully informed" (Kitchen, 1997).

Few enterprises are immune to change, understanding the need for change is important, but so is an understanding of how change will be achieved. If internal communication is a key issue with regard to how successful change management programs are implemented, then understanding that link could prove crucial for all enterprises as they adjust not only to new circumstances at home, but also to the fierce inroads of aggressive international business.

Or to put this another way, change is not evolutionary but revolutionary. Competitive advantage, which resided in capital in the 1980s, in technology in the 1990s, will reside in people in the new millennium (McRory, 1999). Thus, employee communication does not just have a role in the management of change (Quirke, 1995, italics added).¹⁷

Another example of a company who is undergoing major changes in terms of the internal communications process is the United Distillers.

For Michaela Walker, communications manager at spirits-producer United Distillers, one of the catalysts for greater focus on internal-communication planning was the arrival of a new managing director who "had clear expectations in terms of sharing direction with employees," and who had ambitious plans for changing the business.

¹⁷ Kitchen, Philip J; Daly, Finbarr, *Internal Communication During Change Management* [article on-line] Corporate Communications, 2002, Vol. 7 Issue 1, pg. 46, 8pgs, accessed 2 April 2004; available from <http://gateway.proquest.com>; Internet.

Walker explains: "The new vision for the business places more emphasis on our customers, and on the retailers and wholesalers who supply the customers. There is more in it about excitement and enthusiasm, boldness and learning, whereas previously our goals were stated primarily in financial terms. "The focus on effectiveness and on pooling resources to meet the needs of customers and consumers puts a greater primacy on teamwork, problem solving, delegation and communication. All the elements of our corporate culture, the 'United Distillers Way,' are still valid, but with the new demand: of our customers meaning that now we really need to live them and not just accept them intellectually as being fitting aspirations for our company."

Walker recognized that a new vision and call for new behaviors would count for nothing unless employees throughout the company were on board with it all. There were some massive communication challenges including the following:

- * enlisting people's understanding, acceptance and support of the corporate-change program, including a major restructuring,
- * developing a campaign for the launch of the new business vision and strategy, and
- * supporting the introduction of the new managing director.

Walker says: "I was asked by the managing director to put forward a vision for internal communication, identify existing gaps and barriers and recommend a way forward."

The vision was an effective two-way communication process, complemented by networks for transferring ideas and best practice across the company. This style of communication would be a major factor in the company's ability to implement strategy effectively across national frontiers and make the best use of everyone's efforts.

Having described a vision of the future, the next stage was to "step back into reality and set some achievable and measurable goals to fill the gaps and remove blocks to achieving the vision." Walker explains: "I already had a good source of information through the findings of our worldwide employee-attitudes survey. I had also conducted more detailed research during a major restructuring program in Europe. Coupled with that, I had worked with many parts of the business and felt I had a fairly clear view of the gaps and opportunities. I reinforced all the information by conducting a series of in-market diagnoses using a common template."

From this background, Walker identified several communication gaps:

- * lack of accountability for communication, at regional and market levels and in terms of the line manager's role,
- * lack of formal planning and integration,
- * lack of share processes for ensuring fast cascading of core messages and relaying upward feedback,
- * focus on upward presentation skills rather than team communication skills, and

* lack of simple, shared messages on vision and strategy. Action recommended to close the gaps included:

* developing a central media plan based on core messages,

* setting up a network of communication coordinators,

* developing a core briefing process, incorporating existing meetings and reporting mechanisms,

* establishing shared standards and measures, including line roles and related competences,

* developing local communication plans, and

* investing in facilitation-skills training.

Underlying all the actions were a number of assumptions about integration of messages and resources, shared ownership, effectiveness of process and consistency of messages. Walker comments: "All this really hinged on people taking substantive ownership of, and accountability for, communication in their area. I have done my best to stick to a role of catalyst or change agent moving away from an implementation role and working instead as a process consultant supporting the development of local plans, providing examples and standards, promoting networking and exchange of ideas. I have written some of the plans, and supported the development of others, designed the line managers' guides, offered core standards and measurement tools." An annual plan, promoting integration and effective use of resources, updated regularly and agreed to by

the senior team in the market, is now one of the global United Distillers' standards for internal communication. Walker adds: "We now have a planning model for reference, which has a checklist of the key issues to consider when designing employee-communication activity."

Walker concludes: "Communication planning, as people have often remarked, is not rocket science. It is about taking a practical look at what your business needs to achieve, and then making sure that your communication activity supports it. A planned approach to employee communication can help to place accountability for day-to-day communication with line management, allowing communication coordinators to add value to the process by integrating and supporting."¹⁸

In another research study performed, Poole and Jenkins (1996) point out that firms with equivalent technology vary greatly in the quality of their communication systems and processes based on their levels of competitiveness. This suggests that corporate communication issues are frequently the decisive factor in determining business success. It has been further argued (Tourish, 1997) that managerial effectiveness is particularly correlated with an organization's ability to develop and sustain a coherent strategy for quality internal communication. Communication strategies, policies and programs are a powerful means of heightening levels of commitment to corporate goals by all stakeholder groups, but especially employees. Indeed, the development of an

¹⁸ Anonymous, *United Distillers Takes a Planned Approach to Employee Communication* [article on-line] Human Resource Management International Digest, Sep/Oct 1997, Vol.5 Issue 5, pg.20, 3pgs, accessed 4 April 2004; available from <http://gateway.proquest.com>; Internet.

effective communication strategy shapes cultural norms and structures appropriate to each organization's unique position in the environment and the marketplace.

This requires a commitment to participative models of management (Deetz, 1995), and is best developed with the aid of strategic frameworks that emphasize senior management commitment to improving communication; regular evaluations of current practice, the setting of standards to measure success and the incorporation of this process into the existing business planning cycle of the organization concerned (Tourish and Hargie, 1996a).

Communication and organizational effectiveness

Research overwhelmingly suggests that improved internal communication brings large scale organizational benefits (e.g. Stayer, 1990). For example, Hanson (1986) found that the presence of good interpersonal relationships between managers and staff was three times more powerful in predicting profitability in 40 major companies over a five-year period than the four next most powerful variables combined - market share, capital intensity, firm size and sales growth rate. In a much wider review of the research, Clampitt and Downs (1993) concluded that the benefits obtained from quality internal communications include improved productivity, reduced absenteeism, higher quality (of services and products), increased levels of innovation, fewer strikes and reduced costs.

A particularly detailed, and therefore valuable, account concerns General Motors (GM). This has been described in depth by McKean (1990) and Smith (1991).

The communications program began in 1982 in one division, led by a senior manager who wished to transform the division's communication and performance. His first move was to motivate senior colleagues, by getting them to read widely into the basics of effective internal communications. He then upgraded the division's newsletter, increased the frequency of its publication and included much more key business information. A variety of other publications were also produced, including one jointly written and funded with trade union organizations. (Joint action and decision making with trade unions also features in other reports of particularly successful GM operations - see Deetz, 1995; Rubinstein et al., 1993; Treece, 1991).

A communications review group was then set up, which met monthly, and evaluated the range of publications being issued. This group involved top management and institutionalized their personal involvement in the program. Other steps taken included:

(1) A quarterly video news magazine was produced, allowing management to present detailed business information if not in person, then at least on camera. This was shown during working hours in scheduled meetings, and served as a launch pad for face-to-face discussions between supervisors and staff.

(2) Face-to-face meetings were held. General managers met with randomly selected small groups of staff, with the express purpose of facilitating open discussion on highly sensitive issues.

(3) Regular audits, video surveys and quality culture surveys were conducted to track the impact of the program. Thus, follow up audits were conducted every two years.

It is noteworthy that none of these steps are enormously radical! Indeed, Arnott (1987) has observed that internal communications programs that effect significant improvements are often characterized by their simplicity. However, in their totality, they can be summed up as the adoption of a creative approach to ensuring the maximum amount of interaction between as many groups of people as possible, and a new openness in the sharing of information. Steps similar to those described above have been cited as a model approach to the communication of bad news (Hause, 1993), in which the first priority is generally taken to be finding a means of quickly communicating the truth (Cook, 1991). However, there seems no reason why such approaches should be confined to dealing with difficulties and disaster. The results, for GM at any rate, can be evaluated in terms of both the quality of communication, and bottom-line business performance.

In terms of the former, less than 50 per cent of GM employees said they believed the information supplied by management in 1982. By 1986 this had risen to over 80 per cent. Levels of commitment also increased by a similar amount. In terms of business performance, it was reported that budget savings amounted to 2.8 per cent for the first year, 4.9 per cent in the second, then 3.2 per cent, 3.7 per cent and 2.2 per cent. Sales doubled over a seven-year period. By 1988 delays in delivering service parts were eliminated. The employee suggestion program also appears to have been revitalized. Suggestion savings per employee were \$864 in 1981, \$1,220 in 1982, \$1,306 the following year, followed by \$1,741, \$1,547 and \$5,748 in 1987.

Two main factors stand out in this case study. First, top management commitment is reaffirmed as necessary. This is partly because employee communications takes time and effort - simply holding regular meetings is a big commitment for most organizations, and there is a temptation on the part of managers to regard it as "dead time". Second, the steps involved in effective communications are in themselves simple, and involve taking imaginative steps to increase the general flow of information through more face-to-face and informal communications.

Attitudinal barriers to change

A consistent theme in the above discussion is that the key to transforming communication within organizations rests in the hands of managers. The corollary is that the obstacle to change is very often also - managers. Yet there is a tendency to assume that change in this sphere involves managers issuing guidelines, while altering little or nothing in their own patterns of behavior. This flies in the face of common sense, practical experience and the research evidence. If organizations suffer from a poor upwards, downwards, horizontal and diagonal flow of information, low levels of involvement and a culture where mistakes are concealed rather than admitted the odds are that the inhibited behaviors concerned have been promoted by managers (consciously or unconsciously). Drastic change at this level is a prerequisite for change elsewhere.

Encouragingly, the evidence reviewed here suggests that if bold but simple initiatives are pursued from the top they can transform the behaviors of those below. However, it has been argued (Tourish and Hargie, 1996b) that the biggest barriers to progress are those attitudes that allow managers to embrace a culture of open

communication in words, but not in practice. Some such barriers include the following views:

(1) "Too much information is commercially sensitive, and if we let it out our competitors will benefit." Most managers like to say that their most important asset is their people, that they believe in the importance of good working relationships, that they want widespread involvement in their organizations, and an ownership of the organization's agenda by as many people as possible. This is only possible if people feel valued. They only feel valued if they feel informed. However, secretiveness destroys trust, self-confidence and involvement (Arnott, 1987).

Paradoxically, it has been found that most staff have a deep curiosity about the general management issues which animate those further up the hierarchy (Tourish and Hargie, 1996c; Tourish and Mulholland, 1997). People are not just interested in how they do their job. They are passionately concerned with the broader environmental context in which that job occurs. The more uncertain the external environment, the more true this becomes. Managers can and should turn this to their advantage.

However, a failure to be open results in a loss of confidence in senior managers. They are assumed to be concealing destructive hidden agendas. Such views are almost invariably exaggerated: however, their impact on relationships, cohesion, and commitment is explosive. In any event, the notion that the decision-making process can be quarantined is a fantasy. Fax machines spring leaks. Employees support staff gossip. Offices adjoin corridors, and people listen at doors. In consequence, much of what managers imagine to be top secret is actually routine gossip in the staff canteen. It is also

probably being talked of much more negatively than is justified by the facts. Further, if people hear about important issues through the grapevine, it means that managers have simply exchanged the opportunity to be seen as open for an image of being out of touch. This must rank as one of the poorest trades in business!

(2) "Communication might be poor in most organizations, but I communicate very well and things are fine in my organization." Most managers are poor at evaluating their effectiveness as communicators. There is widespread evidence that most of us rate ourselves as being more effective in our jobs than the average score of all people doing it (a statistical impossibility!). We tend to imagine our opinions are more correct than they are, that more people agree with us than actually do, that we contribute more to group decision making than most other people involved, and that we are better listeners than is really the case (Sutherland, 1992). We possess Olympian "reflexes of self justification", which cause us to recognize weaknesses in the performance of others, but to imagine that we ourselves are doing better than we are.

In addition, it is well known that people try to influence us through ingratiation in particular, through flattery (Jones, 1964; 1990). When we attempt to ingratiate ourselves with people who have higher status than us we often tell them what we think they want to hear, rather than what we really feel (Rosenfeld et al., 1995). Unfortunately, the research also suggests that most managers take this defective feedback at face value. They believe that it is genuinely meant and accurate. Psychologists have termed this process "the boss's illusion" (Odom, 1993).

This means that if we seriously want to find out how well our organizations are communicating internally, we must employ an objective system of measurement that tells us how much information people are receiving and sending on key topics, what the primary sources of this information are, what channels of communication are most used and under used, how rapidly information cascades within the organization, and how strong working relationships are between key groups of staff. A communication audit methodology is the best means which has been devised of ensuring this (Hargie and Tourish, 1993; Tourish and Tourish, 1996). It provides managers with an objective account of how well they are doing, and so bypasses those self-serving biases which may have distorted their perceptions in the past. It can also inform detailed plans for change within the organization.

(3) "Why do I need to examine my performance in detail? Can't I simply implement examples of good practice from elsewhere?" Finding out how well you are doing remains an essential first step towards improvement. Communication programs need to focus on real problems, rather than on imaginary aches and pains. No one suggests that we should routinely swallow pills for every medical contingency, whether we are ill or not. It is equally inappropriate to launch into an all-- embracing communication program without a thorough diagnosis of how well existing systems are functioning.

(4) "Why should I do something (e.g. ask people how well I am doing as a communicator) that means I will get kicked in the teeth?" First, examining current practice focuses the minds of senior management teams on the crucial issues: what sort of culture do we want within our organization? What is our management style? What

behaviors do we pursue which are inimical to our philosophy and which we can and must change? What are the key issues which we should be communicating about? How are we communicating on these issues? Clarity on these issues is essential for communication and business success.

Second, negative feedback is not inevitable! Many examinations of communication performance have found extremely positive evaluations towards immediate managers, positive attitudes towards the organization, a strong desire to be involved, and in many cases an appreciation for the extremely difficult job which senior managers perform (e.g. Tourish and Hargie, 1996d). These strengths should be publicized, celebrated and built on. However, every organization has weaknesses. The job of management is not to preside over complacency and inertia. It is to improve the organization's efficiency and effectiveness. This means seizing every opportunity to identify those areas where it is possible for everyone, including managers, to do better.

Third, a communication review tells managers what the dominant mood of the organization actually is. This might be news to some managers, but it will not be news to those who inhabit the lower levels of the organization and who have provided feedback. If communication is really poor, then most people are well aware of it, talk about it constantly, and are eager for managers to take the initiative in improving it. You do not make a traffic jam worse by recognizing that congestion lies ahead. On the other hand, closing your eyes and plugging your ears is a doomed technique for avoiding collisions. For these reasons measures to review and transform communication bring therapeutic benefits, by enabling people to ventilate views they are ordinarily compelled to repress.

(5) "Perhaps people feel alienated and uninvolved, and that senior managers do not communicate with them sufficiently. Isn't this to be expected in large organizations? Can I really do anything about it?" Such a view suggests low expectations towards the staff and on the part of some managers towards themselves. The reality is that no organization achieves high quality outcomes over an extended period of time if staff feel uninvolved and alienated. A number of surveys (Hargie and Tourish, 1996; Tourish and Hargie, 1996c; 1996d) suggest that people want to feed ideas into their organizations. But many of them have largely given up on this, feeling that the system is too hierarchical and disrespectful of what managers have to say and contribute.

The job of managers is to inspire, to personalize the values and focus of the organization and to seek out fresh opportunities to engage everyone's full commitment. The good news, as the literature reviewed in this paper demonstrates, is that the measures necessary to achieve this are quite straightforward. What most staff want from managers are simple measures to improve face-to-face communication. When such steps are taken they are widely appreciated. For example, most managers should drink coffee in the staff canteen much more often than they do! This one step works wonders in heightening their "visibility factor" - one of the most common complaints which people currently make about senior managers. The key is to aim high, start with small steps, and grow bolder with experience.¹⁹

¹⁹ Tourish, Dennis, *Transforming Internal Corporate Communications: The Power of Symbolic Gestures and Barriers to Change* [article on-line] *Corporate Communications*, 1997, Vol. 2 Issue 3, pg. 109, 9pgs, accessed 4 April 2004; available from <http://gateway.proquest.com>; Internet.

Many companies are skilled at projecting the right image to the outside world, but they often fail to communicate as effectively with their own employees. This article examines ways of improving internal communications.

However brilliant your company's blueprint for change, it is unlikely to succeed if no one outside the executive suite understands the reasons for the plan or what it is meant to achieve.

The boom in public-relations departments and agencies over the last 20 years has transformed the way most companies communicate with the outside world. However, communication with a company's own employees is only now achieving the status and resources that PR departments have commanded since the late 1970s. Even today, few firms assess the effectiveness of their internal communications.

This study reveals that most of the people responsible for training and communication within companies believe that there is no substitute for face-to-face sessions. The 15-20 minute video is seen as an expensive and clumsy medium. Video sequences should be short and simple, and carefully constructed to perform one of the special functions which no other medium can remotely match. Text, audio and slides should support, not replace, face-to-face contact. They should challenge the user, triggering response, rather than simply entertaining the audience and showing off the producer's creativity.

The rules which should guide any internal communications program are:

(1) Plan meticulously. Programs are often launched before the message has been finally defined. The process of creating the media is expected somehow to clarify messages that have left the board without clear definition or agreement. Managers are expected somehow to grasp the message and role they are to play, and develop communication skills in which they have never been trained. An important strategy or program of change must be meticulously planned, and widespread feedback obtained.

(2) Shoot the pianist - the old tunes are not the best ones. The chairman or chairwoman who addresses the central management cadre once a year is not carrying out good communication unless the managers are given a clear plan of campaign and trained to conduct it. Issuing a corporate video for people to view in their own time is simply not enough. It is a mistake to place the chief executive officer in front of a camera and let him or her talk turgidly, in the belief that this will somehow galvanize the shop floor worker or sales team to increase their efforts or change their ways.

(3) Enroll your owners. Junior managers and supervisors frequently fail to pass on the message and encourage relevant action and feedback. They cannot be blamed if they have not been trained in communications techniques, or properly briefed.

(4) Reinforce the message. Delegates often leave a seminar with their brains teeming, determined to improve their performance. But the lessons can be quickly forgotten or ignored. The message has to be reinforced. If people attending a seminar are encouraged to question and make suggestions, they will remember the points to which they responded. Messages will also be remembered for longer if people are encouraged to formulate action plans. However, even action plans will fade unless they are monitored

and there is someone to act as mentor. Feedback should not stop at the group session. It should continue over time and be communicated up the company hierarchy until it produces a convincing response.

(5) Count the cost. Many companies believe that, if they have a communications department and their executives are articulate, there is no need for extra spending on communications. These firms overlook: the need for senior executives to be seen to be endorsing the program; the time the workforce must spend away from the shop floor or office in order to hear and debate the issues; and the time that every manager and supervisor should spend tracking the progress of the change program and feeding back the results.²⁰

²⁰ Anonymous, *Getting the Message on Internal Communication* [article on-line] *Facilities*, Sep 1996, Vol. 14 Issue 9, pg. 15, 2pgs, accessed 22 April 2004; available from <http://gateway.proquest.com>; Internet.

Impact of technology on internal corporate communications

A perfect example of a large corporation who realizes the need for change and is doing something about it is the Bass Brewing Company. Bass Brewers has succeeded in harnessing the power of electronic mail to achieve fast and effective internal communications. As part of ongoing efforts to give its 4,000 employees the information they need to become more involved in the business, Bass Brewers has introduced a fast electronic news service (FENS). At its simplest, FENS works like an electronic newspaper, allowing users to browse, topic by topic, through headlines and to select individual news items to read on screen. At its most sophisticated, the service enables managers to choose and tailor their own team-briefing materials, and to pass messages to the rest of the organization. Almost all employees can gain access to FENS, even if they do not work in an office, by using a computer in a common area. They can look through all the news and if, for some reason, their manager has not briefed them on something they think is important, they can initiate a discussion themselves.

Ian Morris, who heads the team, comments: "To be involved, employees need up-to-date and relevant information. FENS gives people 24-hour access to the latest information about the business, via our computer network, to use locally in whatever way they want." The service is designed to support implementation of the business strategy by improving understanding and commitment at all levels. It aims to keep employees informed on a range of topics of value to them in their work and their careers - including company news, updates on business performance and plans, functional information, industry and competitor profiles and job vacancies. Reflecting Bass Brewers' increasingly

integrated approach to internal and external communication - both now within the remit of Morris, as director of communications - the service also provides marketing information and press releases.

At its simplest, FENS works like an electronic newspaper, allowing users to browse, topic by topic, through headlines and to select individual news items to read on screen. Most items are no more than three paragraphs long. All appear with a date indicating when they were first published on FENS and a contact name and telephone extension number for anyone wanting to know more. With items in each topic listed in date order, people have the chance to get up to date with any issue quickly and easily, even if they have been away from work.

At its most sophisticated, the service enables managers to choose and tailor their own team-briefing materials, and to pass messages to the rest of the organization. It is being used to take the company, a brewer of beers and lagers for worldwide markets, a step further towards transferring responsibility away from dedicated communications people, to line management.

Morris - whose team of nine communicators is split between the Burton-on Trent head office and outlying sites - explains: "We have had a team briefing process running for about three years and all line managers have received training. In the past, we prepared a core brief centrally for cascading through monthly team meetings, but consultation with staff showed they were concerned that information was reaching them too slowly and was sometimes of limited local relevance.

"By putting news on to FENS every day, with support from the information services function, we can provide all sites with a continually renewed database of information. The rest is up to the individual line manager." Managers are asked to make it part of their daily discipline to check new FENS items. Immediately they log into the computer network, the FENS screen appears, showing the number of items added in the last three days. These are stored in a separate location for ready access, as well as under the appropriate topic headings, where they remain for 21 days before being deleted automatically.

When deciding how to pass on any urgent information of relevance to their teams, managers have various options. Morris explains: "If it is particularly important, they could call a meeting straightaway to share and discuss the information with team members. If it is something that is relevant to only a small number of people, the manager could talk to those people individually, face-to-face. Paper copies can be printed for distribution to team members, or for displaying on notice boards."

A facility allowing managers to copy information into files of their own, within the company's word-processing system, presents further options. Text can be altered or extended - for example, to adapt messages to suit local priorities, or insert individual or team action points. Morris adds: "For non-urgent information, the manager may decide to open a file and save items over a period of days, ready for preparing a briefing at a convenient time."

By facilitating increased ownership of the team-briefing process, Morris hopes FENS will lead to improvements in the quality of line-management communication. And

because dialog with and among team members is taking place in a more timely manner, the flow of upward feedback should grow. The monthly team meetings begun when briefings were first introduced are continuing, to "give staff an extra opportunity for discussion and to provide more formal feedback".

Morris stresses: "Almost all employees can gain access to FENS, even if they do not work in an office, by using a computer in a common area. They can look through all the news and if, for some reason, their manager has not briefed them on something they think is important, they can initiate a discussion themselves."

Managers are being encouraged to participate in the development of FENS as a tool for multidirectional communication, by contributing information about their own parts of the business, for publication via the service. On-line guidance is provided to help them to construct items in an appropriate style. This should be brief, clear, positive and focused on the actions people should take as a result of the message.

Contributions are sent via e-mail for authorization at senior level by the appropriate manager, before being forwarded to a FENS mailbox. A central administration team, staffed by members of the communication function, checks information before it is input to FENS, to avoid overlapping or conflicting messages, and ensure that all items are of a consistently high standard.

Combining internal communication with other kinds of organizational communication and encouraging line managers to accept responsibility for communication in their own areas are clearly not without risk. Success depends on the

ability of the staff involved to reconcile their varying responsibilities. Morris admits that his team has "partially put itself out of work, " thanks to its success in "effecting a transfer of responsibility away from dedicated communications people, to line management, where it belongs "...Having reduced numbers in the team from 18 to nine, Morris reckons the business today has a communication function "at the optimum level" for fulfilling its role, serving both internal and external customers. The team used to spend around 70 percent of its time on internal communication and 30 percent on external communication. Now it is the other way round. Almost all the internal work is about strategy and giving advice and support.²¹

Times have changed since internal corporate communications consisted of a typed sheet of paper pinned to a departmental notice board. Today, an employee's desk is more likely to be based around a computer which can handle word processing, spreadsheets and databases. Employees are now sending and receiving e-mail from within the corporation and across the globe.

Technology is rapidly transforming employee communications. This transformation is based on the headlong growth of electronic information media, unheard of until about four years ago. E-mail, now widely used by major corporations, is the main trail-blazing technology that is revolutionizing the way in which information moves within an organization. In fact, e-mail is providing a model for the way in which technology and employee communications will function within a corporation. It is

²¹ Gatley, Linda; Clutterbuck, David, *Bass Brewers Transforms Internal Communications* [article on-line] Human Resource Management Digest, May/June 1998, Vol. 6 Issue 3, pg. 19, 3pgs, accessed 3 April 2004; available from <http://gateway.proquest.com>; Internet.

fostering new forms of learning, enabling new types of personal communications between employees and management, and leading to the creation of "virtual" teams.

In a report published in *Managing Service Quality*, Michael Rudnick, of Cognitive Communications, described the results of a research project, undertaken in conjunction with the document company Xerox, which examined how technology was currently being used for employee communications in the USA's largest corporations.

The survey showed that technology, communications and information dissemination are becoming one and the same. It also identified a huge potential for electronic information exchange. Although relatively new, groupware is having a significant impact within companies which use it, by integrating work groups, breaking down communication barriers and enabling simultaneous collaboration across an enterprise. Through the use of applications such as Lotus Notes, employees can instantly share news, ideas and data. Companies using online communications can create searchable databases, distribute memos from senior managers and create employee bulletin boards similar to those found on the Internet.

Technology is mainly used by large corporations to shorten the communications cycle time and, to a lesser extent, to reduce the cost of employee communications. Less than half of the respondents felt that current technology was being used to flatten the corporate hierarchy or speed decision making.

E-mail is the technological application most widely used for employee communications. On average, half of all employees from respondent companies have

access to e-mail, although employee use of e-mail is greater in larger companies than in smaller ones. Other common communications methods include online bulletin boards, audio and video conferencing, broadcast voice mail and broadcast fax systems. However, online services such as direct access to the Internet are used much more sparingly.

The survey also showed that only a third of the companies had a formal policy governing e-mail (such as privacy, information ownership, graphic formatting and distribution limitations). However, most felt that e-mail should be loosely controlled rather than tightly regulated by senior managers.

All this has created entirely new roles for communication professionals as well as managers at all levels. While communicators must develop the strategic objectives and key messages, they do not always directly control the means of communication. However, employee communicators should have a role in the creation and management of the corporate information network. They are perhaps the best managers within the organization to develop strategies for use of that network as a communication resource and to encourage use of the network for two-way communications, feedback and dialog. Formal links between the employee-communication department and the information-technology department must be developed to gain the maximum benefits from a corporation's large investment in network technologies.

According to the communicators, an integral link between technology and employee communication is critical. Almost all respondents recognized that technology is essential for the effectiveness of employee communication and that upgrading this

technology is equally important. They also believed that technology has increased the productivity and efficiency of employee communication.

However, some communicators are concerned about this technology revolution, the survey revealed. They need management to give them the resources to enable them to publish electronically, and they recognize the need to know more about the new technologies being introduced. More effective partnering will be required with the technologists who design, build and operate the networks and systems that disseminate information and ideas as well as data.

Technology, particularly e-mail, has opened new avenues for internal employee communications. Information is the source of power in today's corporations, and an effective electronic employee-communication infrastructure can enable that power to be shared across departmental and geographical boundaries.

An integral link between technology and employee communication is important. Technology is essential for the effectiveness of employee communication and the upgrading of technology is essential and must be continued. Many large corporations believe that technology has increased the productivity and efficiency of their employee communications.

In a narrow sense, technology is simply the use of new vehicles, channels or media for employee communications, offering new ways of disseminating existing forms of information. Viewed expansively, technology has the potential to create a new communications infrastructure for the entire corporation. The use of this new technology

in the corporate environment must be centered on a commitment to effective interpersonal communications as well the distribution of information via the mass media. This involves vision, leadership, coaching and facilitation skills.

Communications professionals will need to push for networks that reach as many employees as possible -practically and cost effectively. Communicators will also need to take a lead role in developing the information that is placed on the network, such as newsletters and daily updates on service, performance and sales, as well as information resources that will help employees to perform their jobs more effectively. They need to convince senior management that technology is a key enabler of ongoing, open and constant communication with employees that adds to the productivity - and profitability - of the corporation.²²

Corporate Culture

Having a well-defined corporate culture is important as globalization transforms the way business is conducted. A well-defined corporate culture can create an atmosphere for success. Today's Human Resource departments have taken on a strategic role as a change agent and a business partner in the company. Human Resource strategies can be powerful tools for signaling cultural change and reinforcing those changes once they are made. Strategic Human Resource Management helps the organization see promising and positive results by operating on a global level.

²² Anonymous, *The Impact of Technology on Employee Communications* [article on-line] Human Resource Management International Digest, Mar/Apr 1998, Vol. 6 Issue 2, pg. 34, accessed 2 April 2004; available from <http://gateway.proquest.com>; Internet.

One of the hottest buzzwords coming into the millennium has been "globalization." Today, globalization is transforming the way business is conducted by dictating that operating within a personal vacuum will no longer be possible. Thus, the corporate world has found itself catapulted into the global arena due to the emergence of the Internet and other forms of communication, and an increase in the numbers of international mergers and acquisitions. Any business that wants to succeed in this rapidly changing, highly competitive environment must be able to adapt, evolve, and operate on a global scale. Success on a global level now goes beyond dollars and cents. With competition so fierce, the race is now on to place human capital at the very center of a sustainable competitive advantage (Gratton, 1998). In addition to looking toward its people, companies should examine their unique characteristics-anything to separate them from the competition. Looking to organizational culture as a competitive advantage is not a new idea. It is now more important than ever because of the narrow margin between companies globally.

This study examines why having a well-defined culture is so important, and the strategic role Human Resources plays in giving businesses a "global" competitive advantage through defining and developing the culture of an organization.

There are some very important questions that must be asked before addressing the strategic role of the Human Resources department in creating and defining corporate culture on a global scale. The three main questions that need to be addressed are: What is corporate culture? Why is developing a corporate culture so important? and lastly, Where to begin?

What is Corporate Culture?

Schein (1992) has defined corporate culture as "the way we do things around here" (p. 12). More recently it has been called "the glue that binds an organization together" (Schell & Solomon, 1997, pg. 35). Others define it as "the shared basic assumptions and beliefs developed by an organization over time" (Greene, 1995, pg. 115). The culture of any organization can express who you are, where you want to go, and what you value externally and internally. It is important because, "it's the sum of total values, virtues, accepted behaviors (both good and bad)..." (Bliss, 1999, pg. 8). In reality, corporate culture is a combination of all of those definitions and more. Another way to look at it is to think of it as the rudder of a ship, though a small part of the vessel; it will dictate the direction that the entire ship will go.

Essentially, a well-defined corporate culture is critical for business success today because it can create an atmosphere for success. One quality that successful organizations share is that they build sound infrastructures. If a company's success is measured by the skill, energy and dedication of its "human capital," then surely managers need to start thinking about how to create a cultural infrastructure that defines, nurtures, and harnesses the power of this critical resource (Marchone & Jenkins, 1999)

Where does an organization begin?

Generally, it starts with two-way communication. Inquire within and without about what kind of image or position the company holds with employees and investors. Ask senior executives how they would describe the culture, followed by an organization

wide survey of employee opinions to validate the information provided (Bliss, 1999). Also, assessing the surrounding environment is a good tool for gauging image. Take a look at what other successful organizations are doing and follow suit.

Answers to those questions are critical, as HR departments have been given the task of creating a corporate culture with global applications (Schell & Solomon, 1997). Today's Human Resources departments have taken on a strategic role as a change agent and a business partner in the company (Anonymous, 1996). Why is such a large task being given to a department that for a long time has only been thought of as the people who handle the hiring and firing of employees? HR Departments typically are in constant communication with the employees (current and potential), shape and implement the benefits and development packages of the organization, and they have access to resources that other departments may not have. Human Resources strategies can be powerful tools for signaling cultural change and reinforcing those changes once they are made (Greene, 1995). It's only logical that such a department would be strategically involved with defining and strengthening the culture within organizations. Successful organizations have found a powerful alliance within what was formerly called Personnel and now may be referred to as Strategic Human Resources Management (SHRM). Knowing the strategic value of HR, organizations are utilizing the people and environmental resources that HR departments have access to.

Schell and Solomon (1997) correctly predicted that in the year 2000 Human Resources has become:

- Closely linked to business strategy plans

- Jointly conceived and implemented by line and HR Managers
- Responsive to a highly competitive marketplace and global business structure
- Focused on quality, customer services, productivity, employee involvement, teamwork and work flexibility

Attributes of a Winning Corporate Culture

Earlier, corporate culture was defined as the characteristic manner in which things are done in an organization. The culture is an asset for the organization if this manner of doing things is the most adequate for achieving success in the organization's competitive environment. If the culture does not encourage the behaviors necessary for the organization to compete successfully in its environment, the culture is a liability for the organization. Organizations can achieve a strategic culture by the careful planning of Human Resource practices that promote behavioral norms necessary for achieving the organization's strategy and the deliberate selection of candidates who share the desired values that reinforce the organization's cultural norms (Bonache & Cabrera, 1999).

Sometimes behavioral norms emerge due to the fact that organizational members share certain values that cause them to have expectations as to which behaviors are appropriate and which are not. In other situations, organizational rules and practices determine norms. Therefore, cultural norms are determined by both values and organizational practices (Bonache & Cabrera, 1999).

An organization's competitive position is stronger if positive organizational norms are followed more strictly. To achieve a strong organizational culture, Human Resource practices must send messages to the employees regarding the behavior expected of them that would allow the organization to achieve its strategic objectives, and HR must carefully select employees with values congruent with those values that support the organizational norms (Bonache & Cabrera, 1999).

HR practices provide information and shape the behavior and experiences of employees and become the means whereby cultures are created and sustained. The careful design of the organization's HR practices is necessary for the creation of norms that will support an organization's business strategy. To accomplish this, an organization's business strategy must first be determined. HR strategies are being linked with the mainstream strategies of the organization as management moves in a direction that acknowledges and values the link between the workforce and overall company success. When an organization embraces Strategic Human Resources Management, the human resources planning process doesn't follow the business plan; it becomes a part of business planning (Tokesky & Komides, 1994). Senior SHRM professionals report directly to the CEO. They spend about half of their time advising the CEO on how people issues such as forecasts, diversity programs and the correct sizing of units dovetail with operating plans (Anthony, 1995). This link with management makes their knowledge and expertise critical to other parts of the organization when plans are being made and implemented. The support from senior management is critical in whatever strategic steps HR will take in conjunction with other levels of management to establish and reinforce the culture of their organization on a global scale. Managers in these organizations will require global

skills and cultural fluency (Schell & Solomon, 1997). As Gratton states, "placing people processes as the link between business goals and individual behavior brings its own challenges and necessitates a whole new set of rules and human resources capabilities. But to understand these rules brings the potential for a renewed partnership between line managers and human resources professionals"

To be responsive to the competitive market place and global business structure, HR professionals will have to begin to think and act strategically and be culturally aware. Strategic HR departments will serve a link to the corporate community as far as what trends are occurring and in the way businesses are setting themselves up. Awareness of the changing trend in organizational structure to a flatter, more flexible organizations, mergers and acquisitions or partnerships between corporations is critical as well (Tokesky & Komides, 1994). Top executives and upper management will rely on the experience of HR professionals to train and prepare them to think and act on this broader level as well.

To implement a global minded culture into their organization, HR professionals will have to utilize various recruiting and training & development techniques to attract the best talent possible that will support this changing structure. HR professionals are seeking to hire employees that share and will promote the goals and visions of the organization. Employees are seeking to work for a company that will value their knowledge, provide an opportunity for growth, treat them fairly, and respect them personally. Organizations have to be able to act fast to attract and obtain these employees. This can pose a big challenge to HR professionals because the employment market has

become very competitive and diverse now that many foreign barriers have come down and more businesses are setting up shop in various parts of the world. This has caused the employment pool to grow drastically.

Great people with expertise, initiative, and imagination are the center of successful businesses. Employers should select the best people and set them free, and they will develop the best ideas and the most effective follow-ups. When the best are let loose, they will develop the right technology and the optimal application for it. They will figure out how to use available resources to connect with each other and develop the most exciting products, extraordinary cost reductions, the most dazzling customer services, the most lucrative niches, and the most viable investment opportunities. The organization with the best minds perpetually collaborating is the one that wins (Harari, 1998). To attract and retain the best people, a company must offer competitive pay and good health benefits.

The company also needs "better people managers" and "honest" managers who will walk their talk. Another fast-rising requirement is a family-friendly environment that includes benefits such as daycare, spousal support, flextime, job sharing, and telecommuting opportunities (Harari, 1998). People will perform well and produce more in a rewarding and enjoyable workplace in which they feel comfortable (Gibbons, 2000). Companies that offer promising work climates will be the most successful in competing for talented employees. People employed at the 100 Best Companies to Work For cited meaningful work, inspirational leadership, and great facilities as the three characteristics of the most promising work environment (D'prix, 1999).

Organizations should view the hiring process as a search for a fit-which encompasses alignment between the individual return-on-investment (ROI) needs and investment returns that the organization can offer (Davenport, 1999). During the recruiting process, HR professionals must be able to communicate what the direction of the organization is to the potential candidates. This will allow both the recruiter and candidate to assess whether a match is possible. Hiring people who aren't aware of the corporate culture can cost the organization (Bliss, 1999).

When addressing this range of diversity, HR professionals will be challenged with structuring equitable policies, programs and procedures that is mindful of the diverse lives and backgrounds of their (current and potential) employees, while at the same time maintaining the integrity of the corporate mission. Some of the avenues that many organizations are adopting based on recommendation by HR include: telecommuting, flexible work hours, job/office transfers, sensitivity training, and a wide range of personal and professional development programs. Some global organizations have multiple benefits policies and procedures that are structured to accommodate the needs of the various employees.

Henceforth, the task of creating and communicating the culture of the organization has a two-fold reach and poses a challenge. Not only must it be communicated to the employees but also to executive management. As noted by Anonymous, "melding a common vision is no easy task; communicating it consistently across cultures is even more difficult. Yet, coalescing various nationalities and cultures

into a streamlined organization capable of speed, teamwork and flexibility will become essential to ratcheting up profits and productivity" (1996, p. 50).

So, in essence, "globalization" has not posed an unconquerable challenge, but it has provided a huge stepping-stone for businesses that once operated as individual islands to now work as a whole. This task has been rightfully given to HR departments who, working in conjunction with other areas of management, are seeing promising and positive results by operating on a "global" level. Organizations must look within to develop a strong infrastructure that will allow them to stand apart from other organizations. Through the knowledge of HR professionals, organizations will be equipped to create an environment within that will attract and retain the brightest and best talent who supports and enhances their long-term goals.²³

²³ Rowden, Robert W., *The Strategic Role of Human Resource Management in Developing a Global Corporate Culture* [article on-line] *International Journal of Management*, Jun 2002, Vol. 19 Issue 2, Part 1, pg. 155, 6pgs, accessed 2 April 2004; available from <http://gateway.proquest.com>; Internet.

Chapter Three

Procedures

Several sources were used to compile the research for this thesis: 1) Rowan University Campbell Library online catalog as well as several electronic indexes and databases, 2) the Internet and World Wide Web, 3) company information packets provided by Subaru of America Inc., 4) in-depth face-to-face interviews, 5) a survey posted on the SOA company Intranet page.

An information search via the computers at Rowan University's Campbell Library of current literature on internal communications within companies as well as cultural change within companies was conducted. The library's catalog and electronic indexes and databases were used to locate authorities in those designated areas of corporate change.

Keywords were used to narrow the searches and also to locate information via the library. The keywords used included: internal communications, corporate internal communications, corporate identity, cultural change, organizational identities, organizational perspectives, integrated communications, corporate communications, strategic public relations, relationship integration, and management integration.

The two scientific segments of the research to be performed will consist of a survey and personal interviews. The survey will consist of questions taking an in-depth look at the current structure at SOA regarding the Subaru Difference and also

plans for the future, incorporating communication methods and techniques. After completion the survey will be posted on the SOA Intranet page where all 850 employees will have the opportunity to take part in filling one out. The second method of research will be face-to-face interviews in order to gain insight into the current perceived status of the Subaru Difference as well as functional plans for the future.

Chapter Four

Research Data

The author conducted a two-prong study to determine the scope of knowledge at Subaru of America, Inc. regarding the Subaru Difference. The first study examined the current knowledge of the Subaru Difference within the Subaru of America, Inc. organization. The second study examined the same information but on a deeper level.

Questionnaire to all SOA employees

The author posted an online questionnaire on the Subaru of America Inc. Intranet page.

Specifically, the study sought to determine answers to the following questions from all SOA employees:

- Have you heard of the Subaru Difference?
- How confident are you in your knowledge regarding the Subaru Difference?
- How important do you feel the Subaru Difference is to the Subaru culture?
- What is the number one way you currently receive information regarding the Subaru Difference?
- What is the number one way you currently receive information regarding other company activities and initiatives?
- What is the best way to communicate with employees regarding new company programs or initiatives?

- In your opinion, how important is it that employees of SOA are made aware of the Subaru Difference?
- Do you feel a responsibility to remain updated on company business?
- Are you aware that the Subaru Difference is an integral part of the company's overall strategic plan?
- When was the last time you heard anything about the Subaru Difference?
- Do you remember receiving the Subaru Difference newsletter "Focus?"
- Did you read the newsletter?
- Do you think the newsletter is relevant to you and your job?
- Do you feel the Subaru Difference is valuable enough for everyone in the company to take part in?
- Do you believe the Subaru Difference encompasses every aspect of SOA's business?
- Do you feel that the Subaru Difference directly applies to you and your department?
- Do you think the Subaru Difference has been communicated effectively in the past?
- Do you think the Subaru Difference is a worthwhile initiative?
- Do you think the Subaru Difference is important enough for everyone in the company to use on a daily basis? (individual goals & department goals)

Of the 850 Subaru of America, Inc. employees that were contacted for this study, 209 completed the online questionnaire via the company's Intranet page. All 209

questionnaires were completed by the respondents in their entirety and the author used each questionnaire for this study.

In this chapter, the author presents the questionnaire results. He also presents a question-by-question breakdown, frequency, percentages and cross tabulations, of how the 209 Subaru of America, Inc. employees answered the questionnaire. The author also included graphs to illustrate responses by SOA employees.

Questionnaire responses

Q1 Have you heard of the Subaru Difference?

Q1

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	209	100.0	100.0	100.0

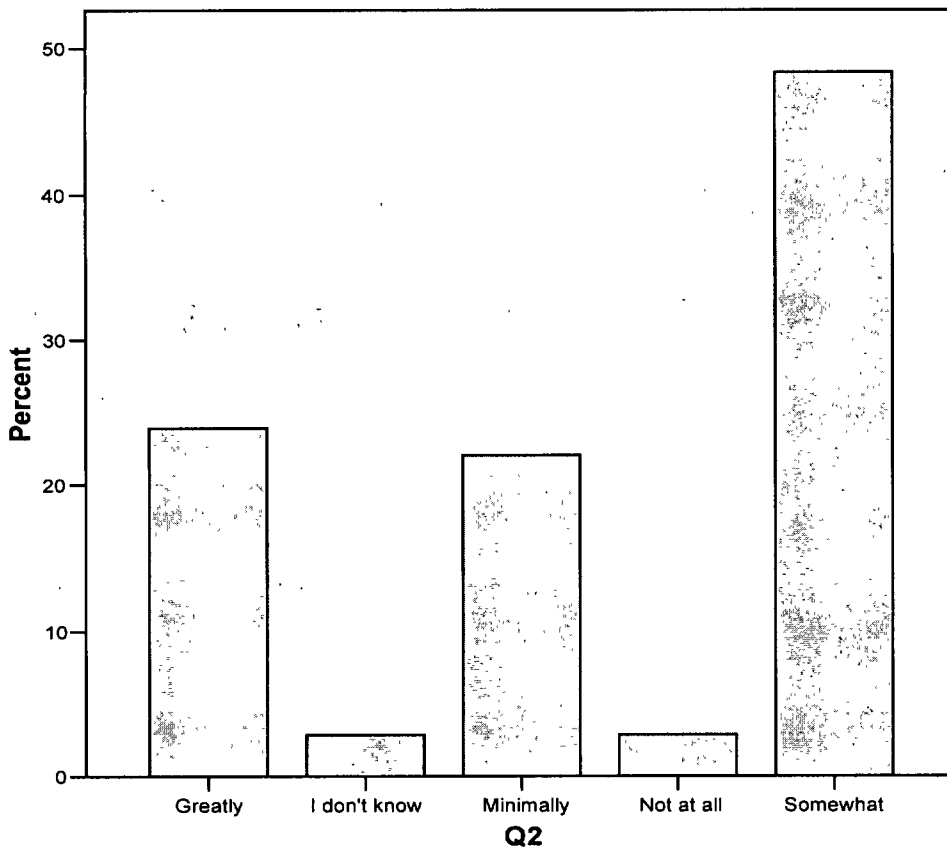
*There is no graph available due to the fact that 100% of the participants responded

“Yes.”

Q2 If you responded “Yes” to question 1, how confident are you in your knowledge regarding the Subaru Difference?

Q2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Somewhat	101	48.3	48.3	48.3
	Greatly	50	23.9	23.9	72.2
	Minimally	46	22.0	22.0	94.3
	I don't know	6	2.9	2.9	97.1
	Not at all	6	2.9	2.9	100.0
	Total	209	100.0	100.0	

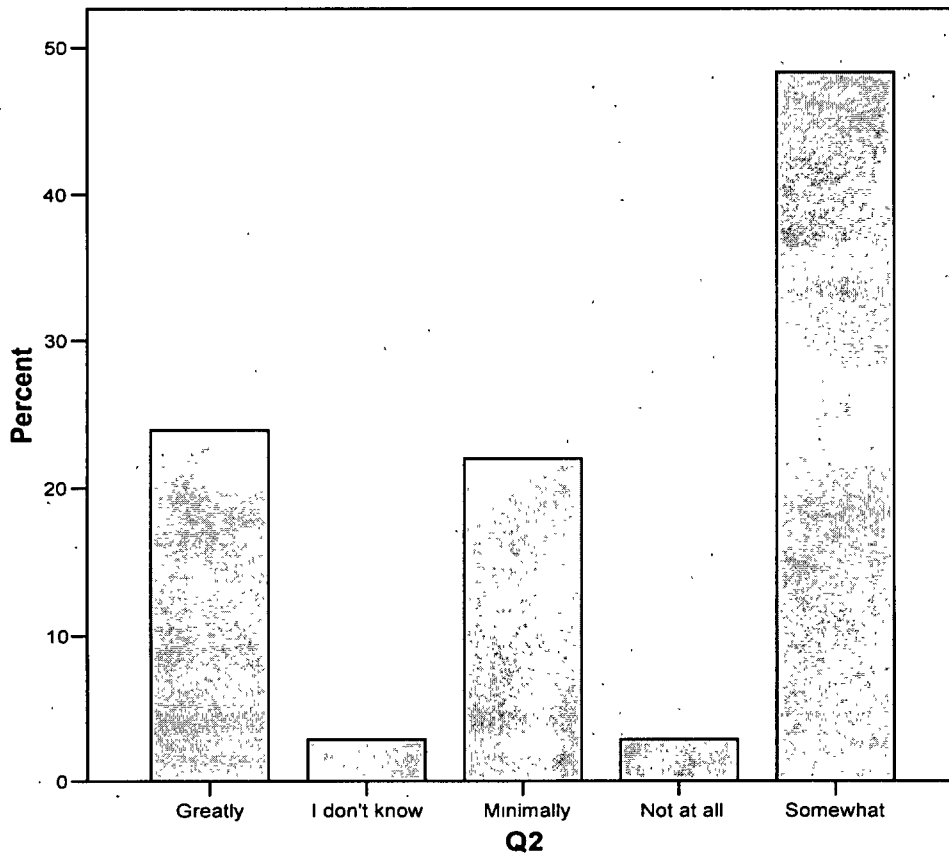


Q2 If you responded “Yes” to question 1, how confident are you in your knowledge regarding the Subaru Difference?

Q3 How important do you feel the Subaru Difference is to the Subaru culture?

Q3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Important	112	53.6	53.6	53.6
	Somewhat Important	64	30.6	30.6	84.2
	I don't know	15	7.2	7.2	91.4
	Minimally Important	13	6.2	6.2	97.6
	Not Important	5	2.4	2.4	100.0
	Total	209	100.0	100.0	

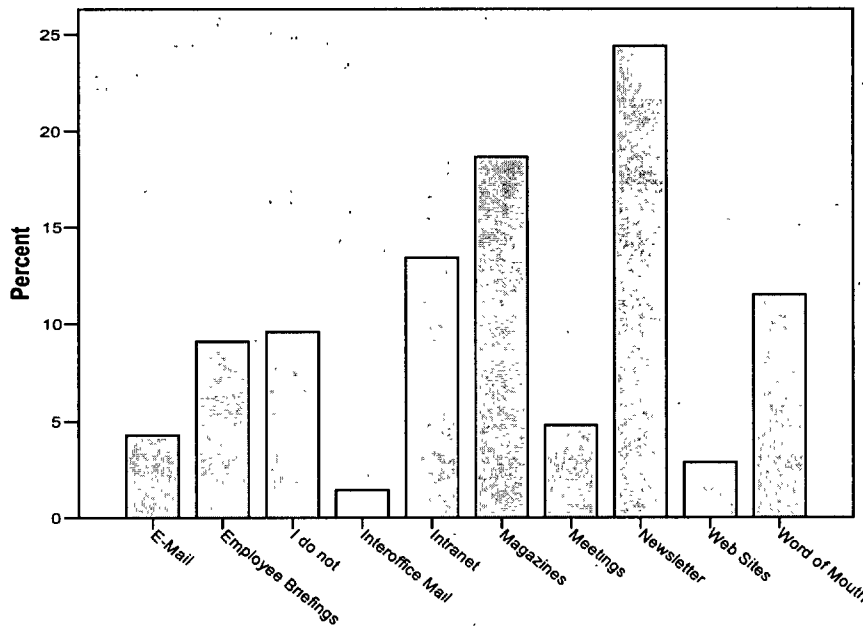


Q3 How important do you feel the Subaru Difference is to the Subaru culture?

Q4 What is the number one way you currently receive information regarding the Subaru Difference?

Q4

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Newsletter	51	24.4	24.4	24.4
	Magazines	39	18.7	18.7	43.1
	Intranet	28	13.4	13.4	56.5
	Word of Mouth	24	11.5	11.5	67.9
	I do not	20	9.6	9.6	77.5
	Employee Briefings	19	9.1	9.1	86.6
	Meetings	10	4.8	4.8	91.4
	E-Mail	9	4.3	4.3	95.7
	Web Sites	6	2.9	2.9	98.6
	Interoffice Mail	3	1.4	1.4	100.0
	Total	209	100.0	100.0	



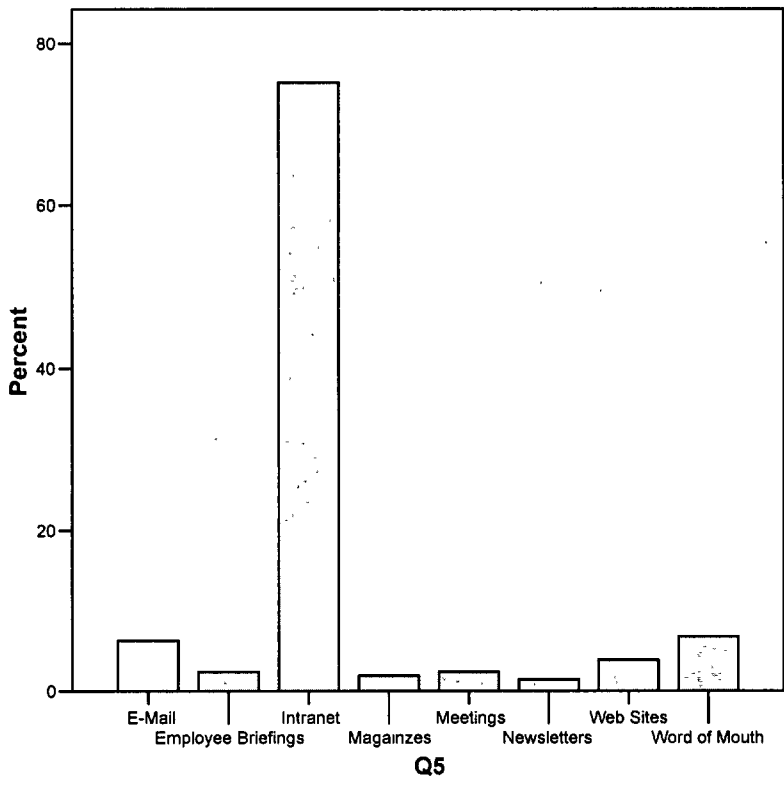
Q4

Q4 What is the number one way you currently receive information regarding the Subaru Difference?

Q5 What is the number one way you currently receive information regarding other company activities and initiatives?

Q5

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Intranet	157	75.1	75.1	75.1
	Word of Mouth	14	6.7	6.7	81.8
	E-Mail	13	6.2	6.2	88.0
	Web Sites	8	3.8	3.8	91.9
	Meetings	5	2.4	2.4	94.3
	Employee Briefings	5	2.4	2.4	96.7
	Magazines	4	1.9	1.9	98.6
	Newsletters	3	1.4	1.4	100.0
	Total	209	100.0	100.0	

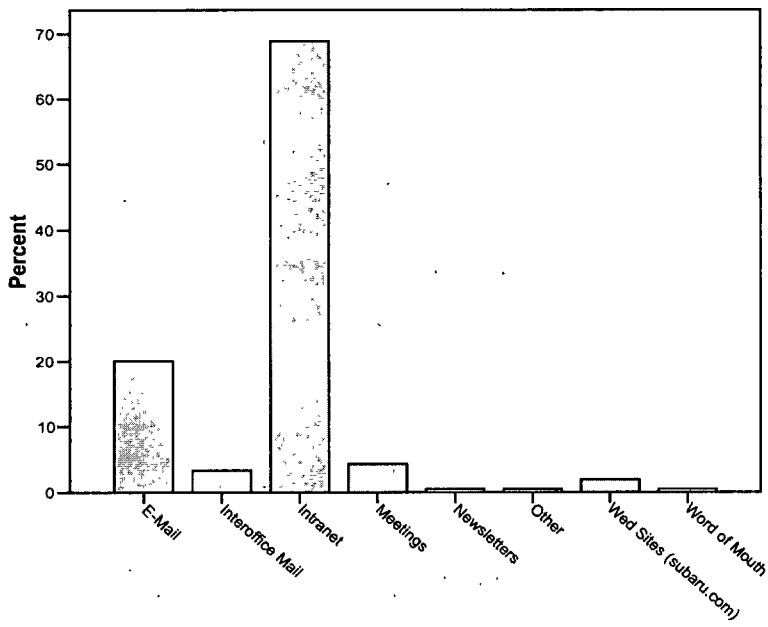


Q5 What is the number one way you currently receive information regarding other company activities and initiatives?

Q6 What is the best way to communicate with employees regarding new company programs or initiatives?

Q6

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Intranet	144	68.9	68.9	68.9
	E-Mail	42	20.1	20.1	89.0
	Meetings	9	4.3	4.3	93.3
	Interoffice Mail	7	3.3	3.3	96.7
	Wed Sites (subaru.com)	4	1.9	1.9	98.6
	Word of Mouth	1	.5	.5	99.0
	Other	1	.5	.5	99.5
	Newsletters	1	.5	.5	100.0
	Total	209	100.0	100.0	



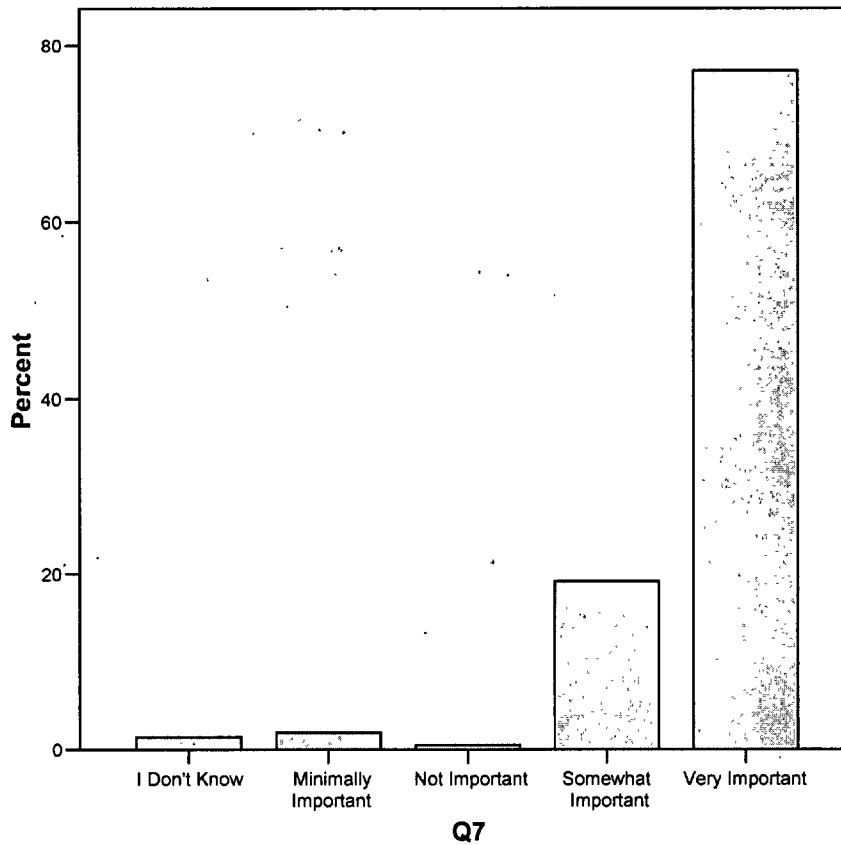
Q6

Q6 What is the best way to communicate with employees regarding new company programs or initiatives?

Q7 In your opinion, how important is it that employees of SOA are made aware of the Subaru Difference?

Q7

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Important	161	77.0	77.0	77.0
	Somewhat Important	40	19.1	19.1	96.2
	Minimally Important	4	1.9	1.9	98.1
	I Don't Know	3	1.4	1.4	99.5
	Not Important	1	.5	.5	100.0
	Total	209	100.0	100.0	

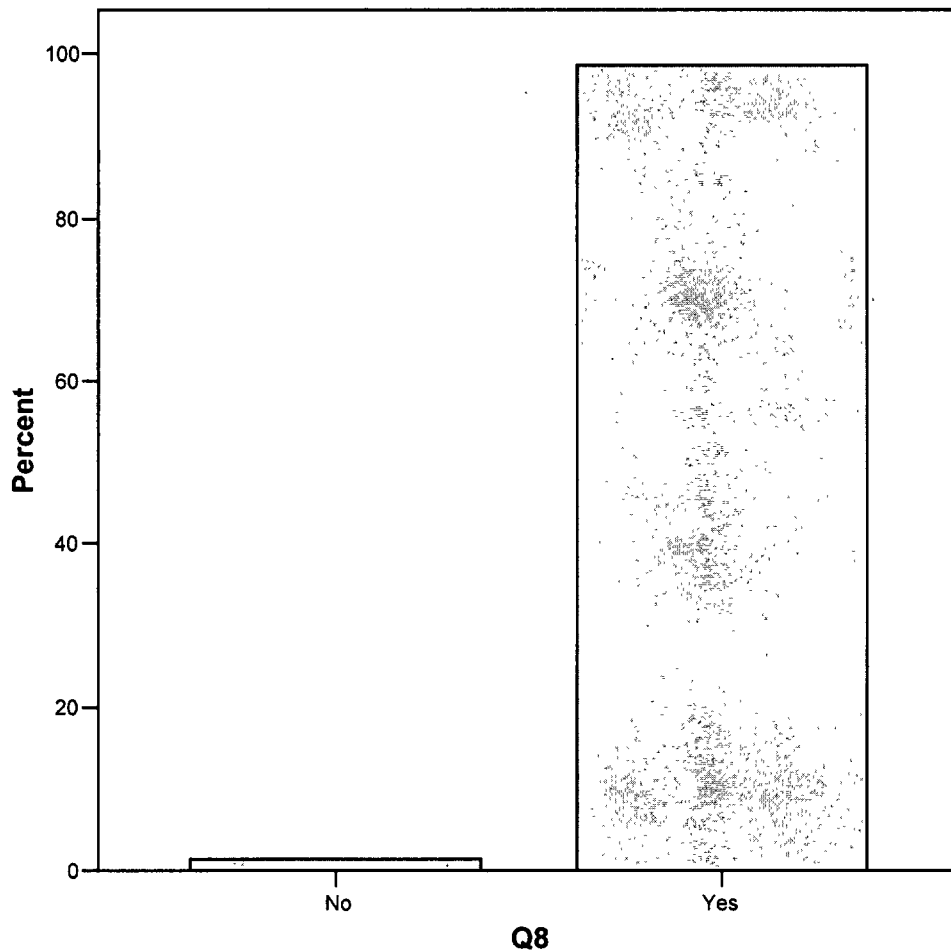


Q7 In your opinion, how important is it that employees of SOA are made aware of the Subaru Difference?

Q8 Do you feel a responsibility to remain updated on company business?

Q8

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	206	98.6	98.6	98.6
	No	3	1.4	1.4	100.0
	Total	209	100.0	100.0	

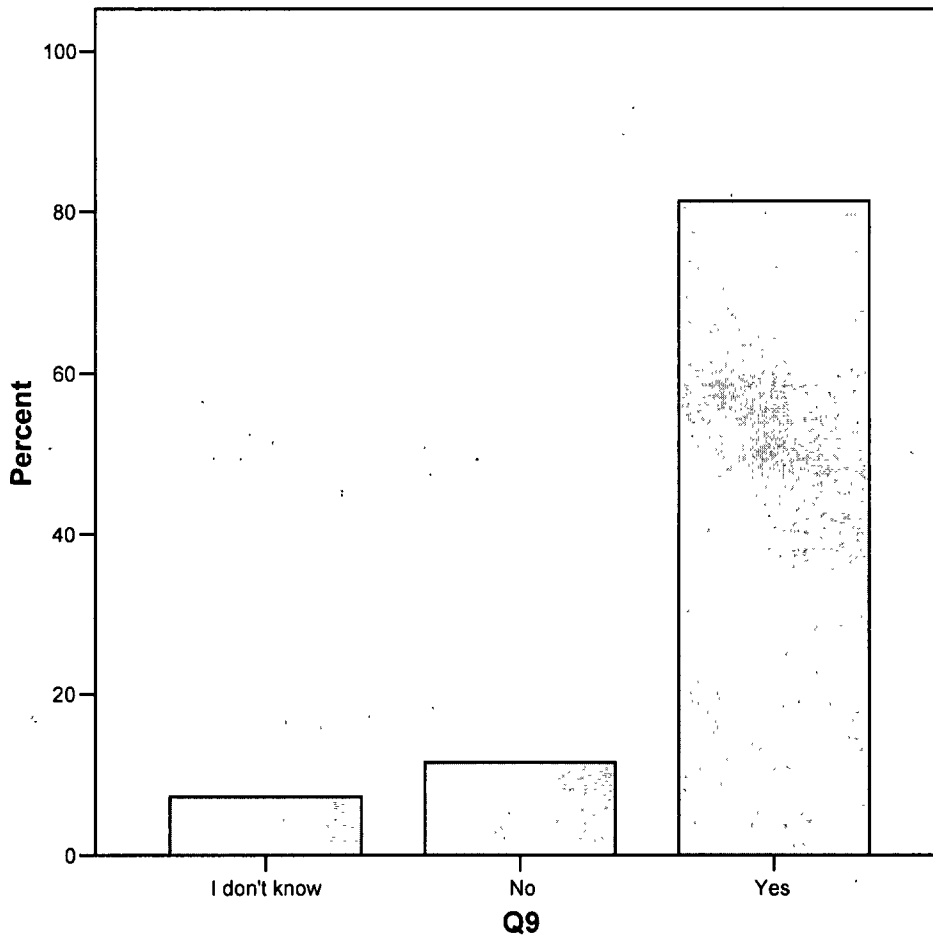


Q8 Do you feel a responsibility to remain updated on company business?

Q9 Are you aware that the Subaru Difference is an integral part of the company's overall strategic plan?

Q9

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	170	81.3	81.3	81.3
	No	24	11.5	11.5	92.8
	I don't know	15	7.2	7.2	100.0
	Total	209	100.0	100.0	

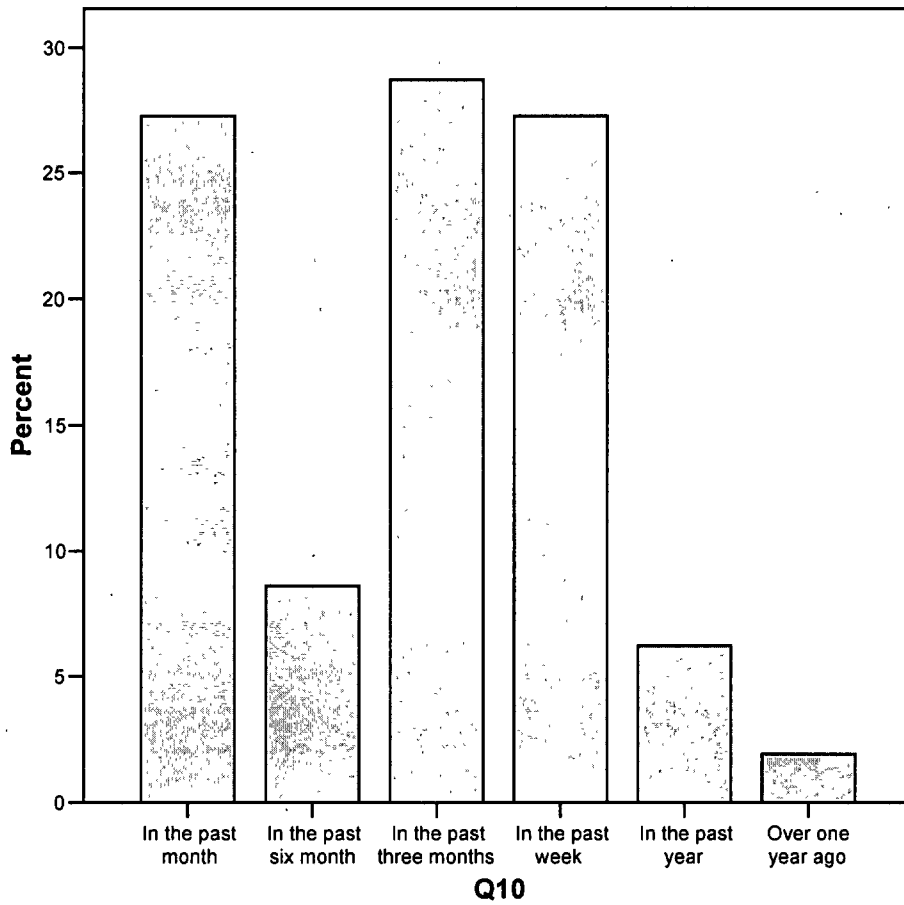


Q9 Are you aware that the Subaru Difference is an integral part of the company's overall strategic plan?

Q10 When was the last time you heard anything about the Subaru Difference?

Q10

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid In the past three months	60	28.7	28.7	28.7
In the past month	57	27.3	27.3	56.0
In the past week	57	27.3	27.3	83.3
In the past six month	18	8.6	8.6	91.9
In the past year	13	6.2	6.2	98.1
Over one year ago	4	1.9	1.9	100.0
Total	209	100.0	100.0	

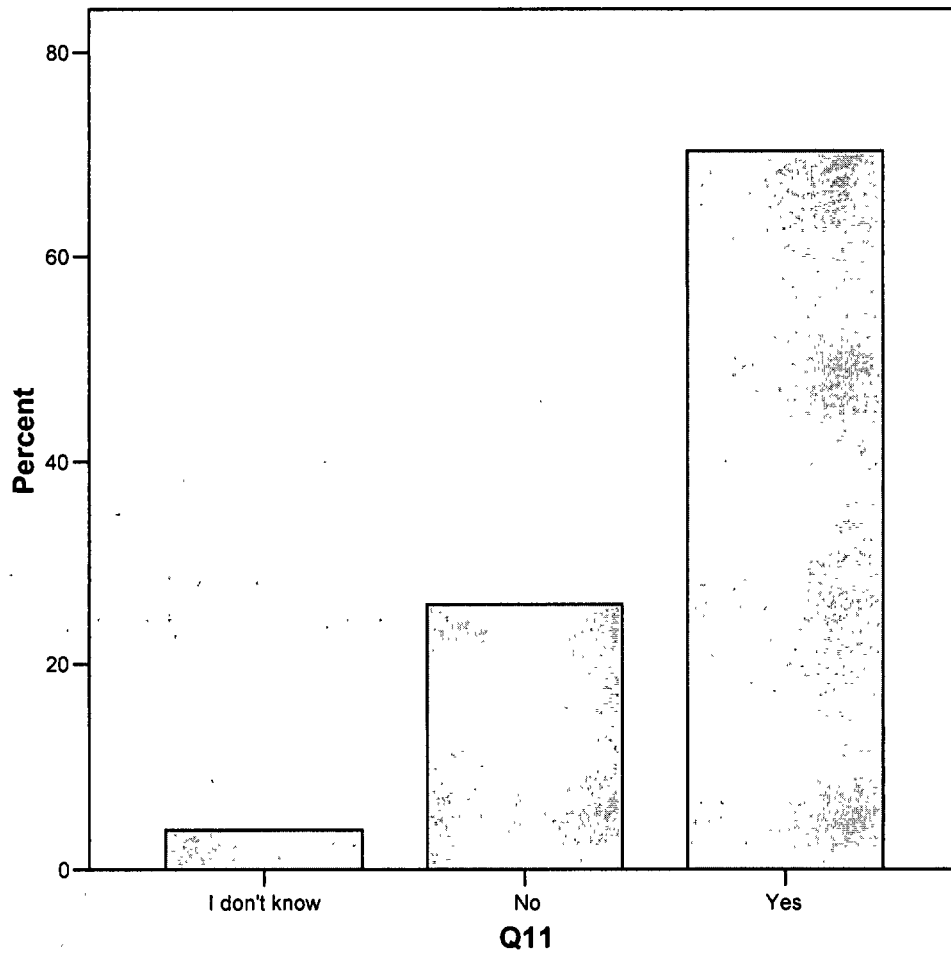


Q10 When was the last time you heard anything about the Subaru Difference?

Q11 Do you remember receiving the Subaru Difference newsletter "Focus?"

Q11

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	147	70.3	70.3	70.3
	No	54	25.8	25.8	96.2
	I don't know	8	3.8	3.8	100.0
	Total	209	100.0	100.0	

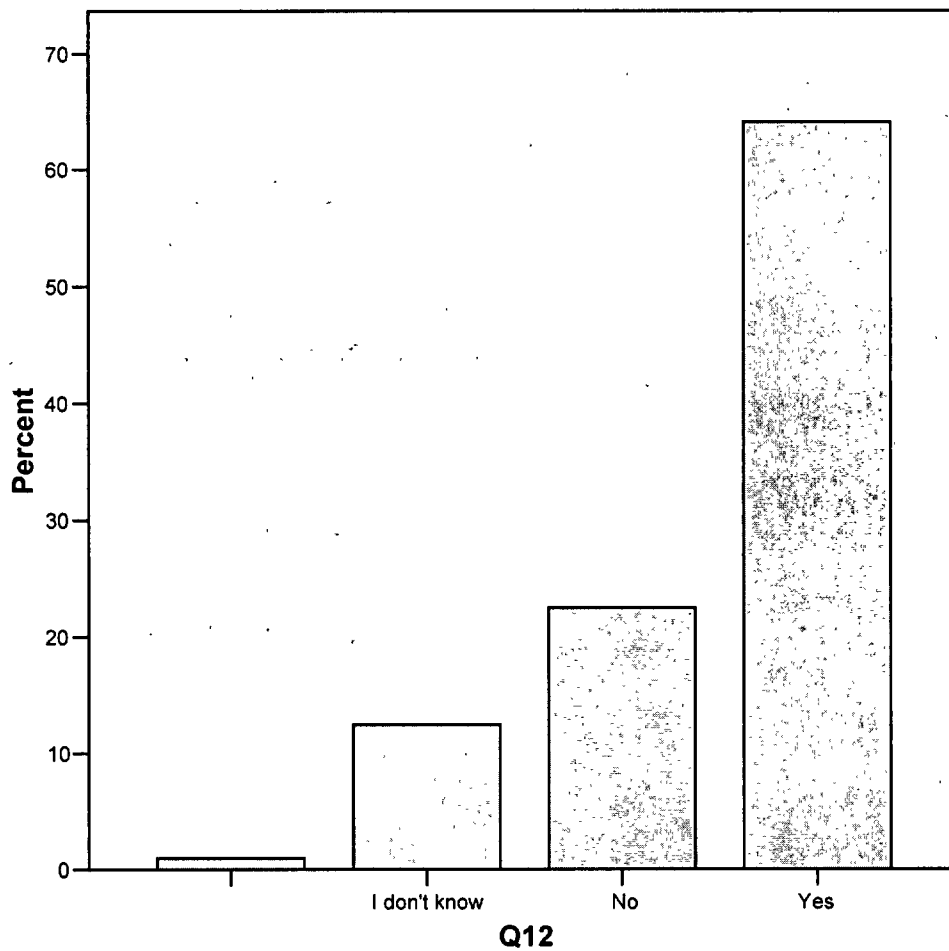


Q11 Do you remember receiving the Subaru Difference newsletter "Focus?"

Q12 Did you read the newsletter?

Q12

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	134	64.1	64.1	64.1
	No	47	22.5	22.5	86.6
	I don't know	26	12.4	12.4	99.0
		2	1.0	1.0	100.0
Total		209	100.0	100.0	

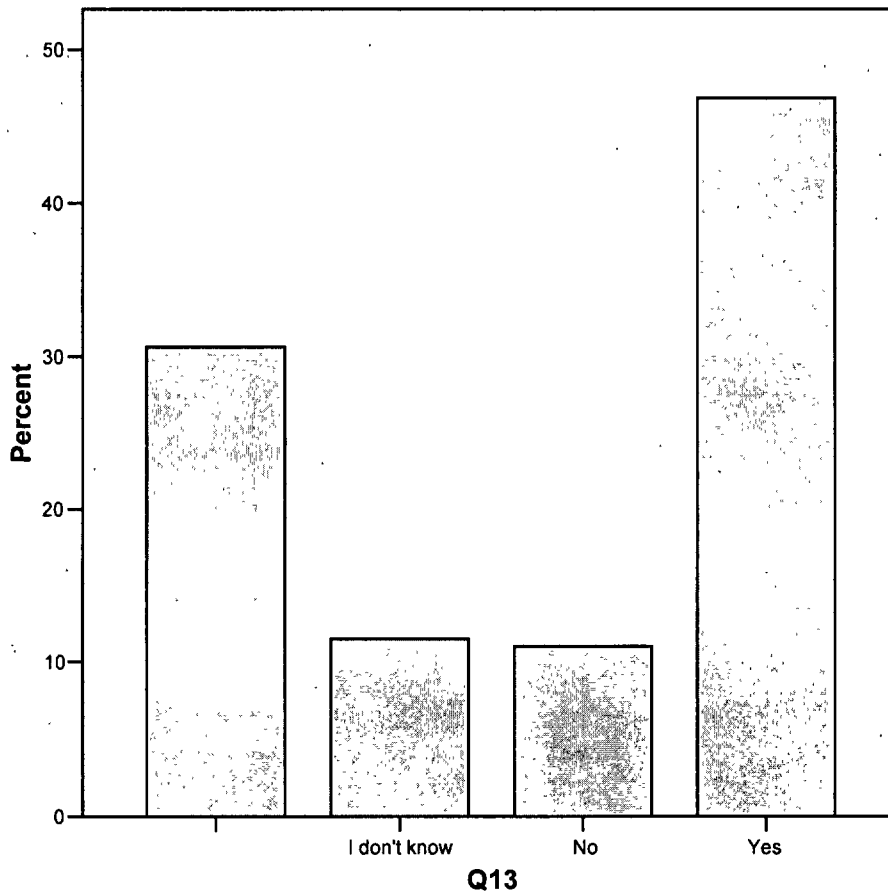


Q12 Did you read the newsletter?

Q13. If answering "Yes" to question 12, do you think the newsletter is relevant to you and your job?

Q13

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	98	46.9	46.9	46.9
	I don't know	64	30.6	30.6	77.5
	No	24	11.5	11.5	89.0
	No	23	11.0	11.0	100.0
	Total	209	100.0	100.0	

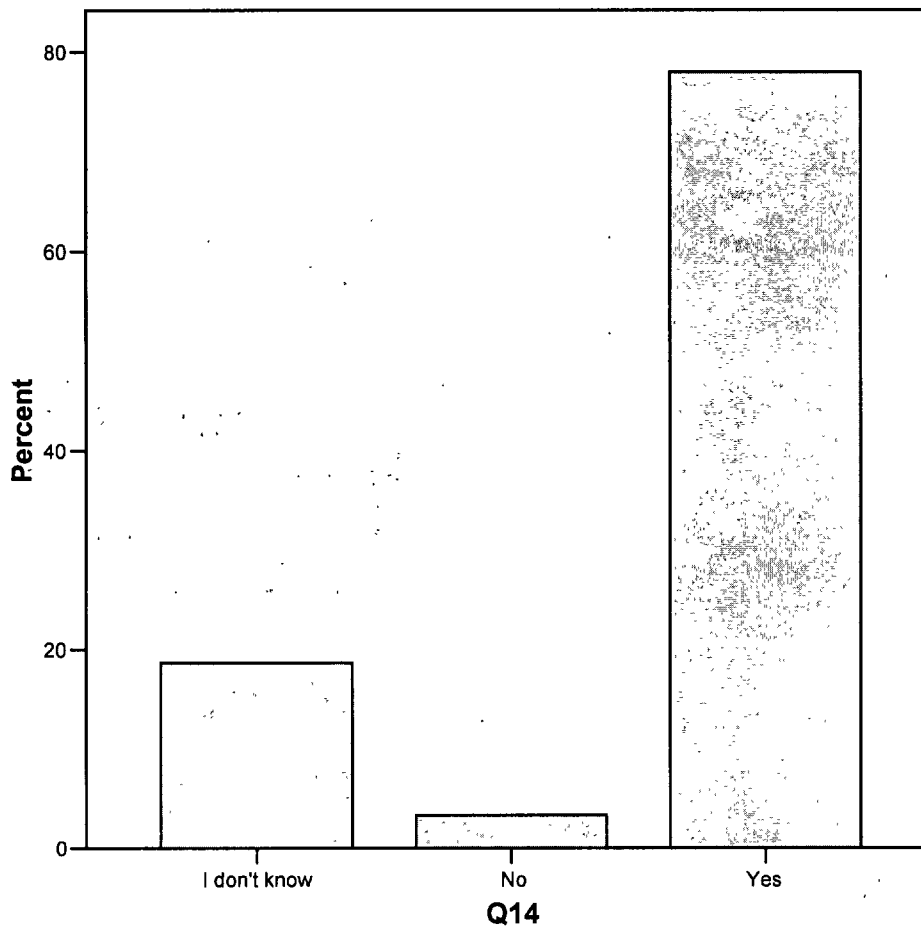


Q13 If answering "Yes" to question 12, do you think the newsletter is relevant to you and your job?

Q14 Do you feel the Subaru Difference is valuable enough for everyone in the company to take part in?

Q14

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	163	78.0	78.0	78.0
	I don't know	39	18.7	18.7	96.7
	No	7	3.3	3.3	100.0
	Total	209	100.0	100.0	

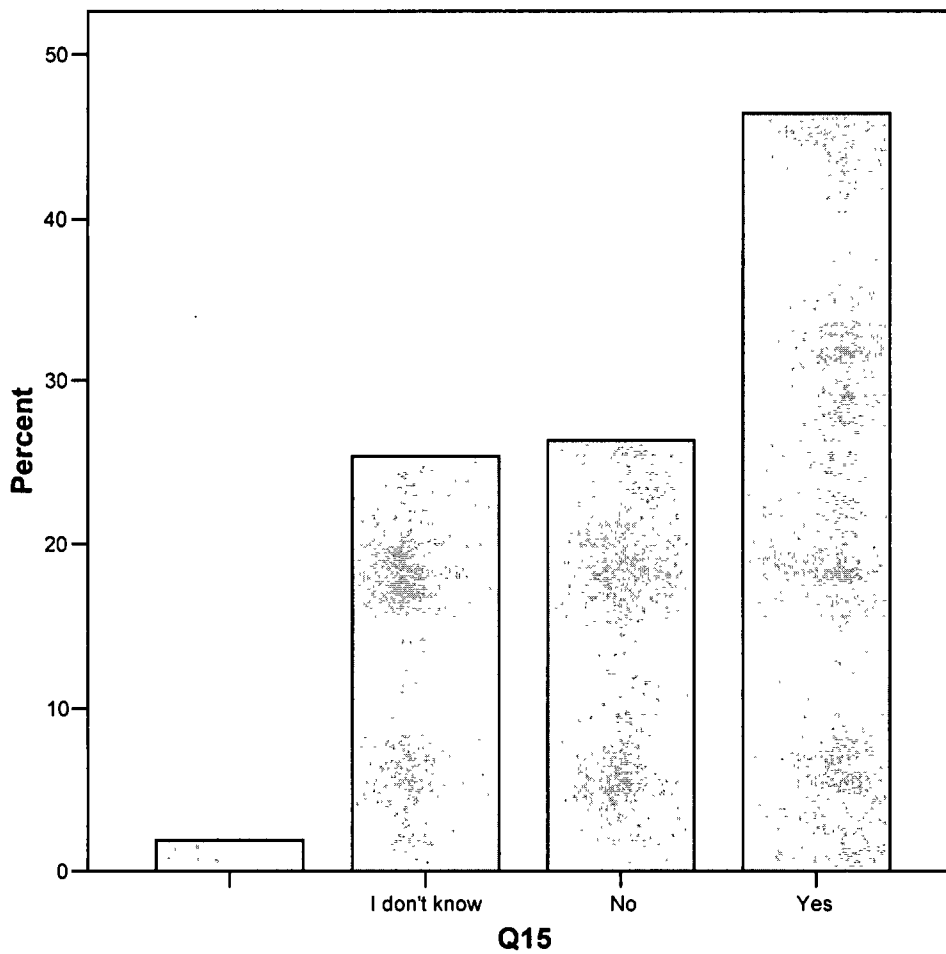


Q14 Do you feel the Subaru Difference is valuable enough for everyone in the company to take part in?

Q15 Do you believe the Subaru Difference encompasses every aspect of SOA's business?

Q15

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	97	46.4	46.4	46.4
	No	55	26.3	26.3	72.7
	I don't know	53	25.4	25.4	98.1
		4	1.9	1.9	100.0
Total		209	100.0	100.0	

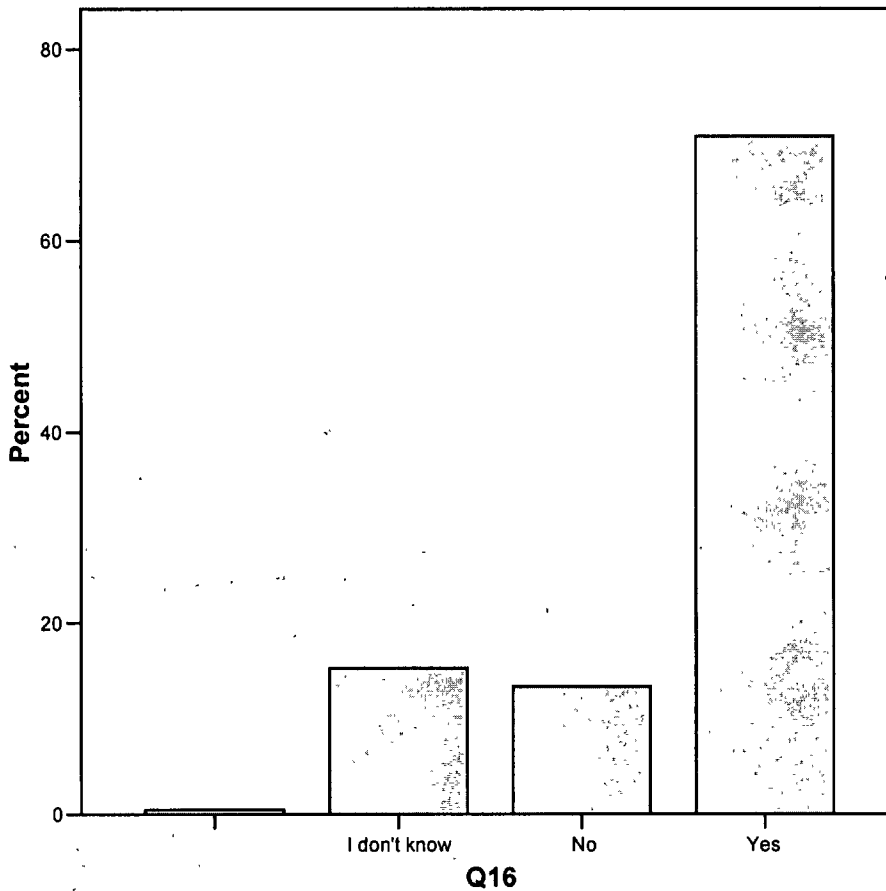


Q15 Do you believe the Subaru Difference encompasses every aspect of SOA's business?

Q16 Do you feel that the Subaru Difference directly applies to you and your department?

Q16

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	148	70.8	70.8	70.8
	I don't know	32	15.3	15.3	86.1
	No	28	13.4	13.4	99.5
		1	.5	.5	100.0
Total		209	100.0	100.0	

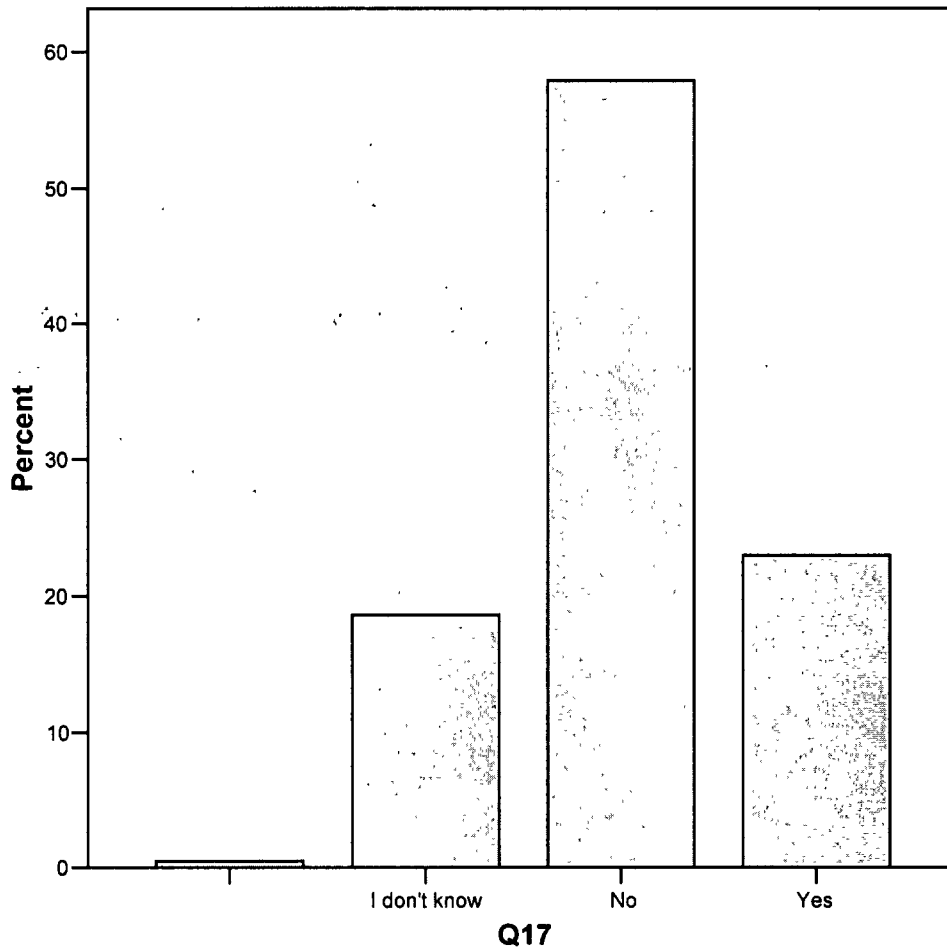


Q16 Do you feel that the Subaru Difference directly applies to you and your department?

Q17 Do you think the Subaru Difference has been communicated effectively in the past?

Q17

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	121	57.9	57.9	57.9
	Yes	48	23.0	23.0	80.9
	I don't know	39	18.7	18.7	99.5
		1	.5	.5	100.0
Total		209	100.0	100.0	

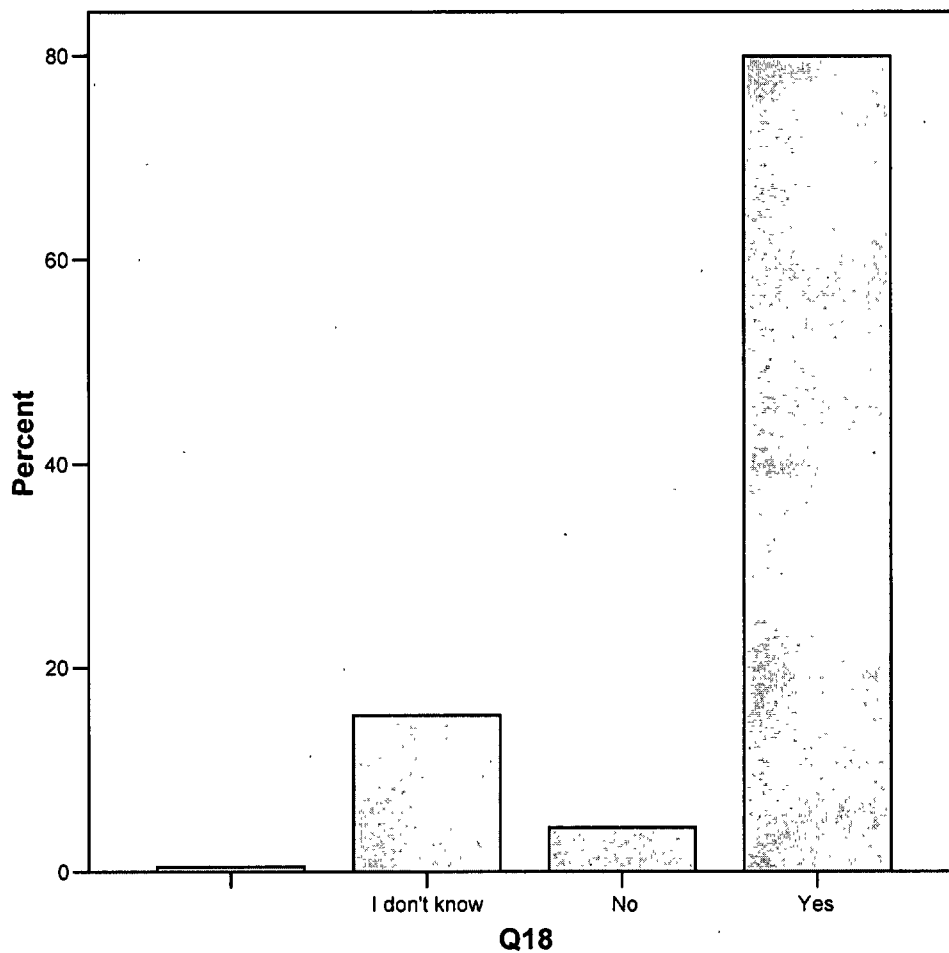


Q17 Do you think the Subaru Difference has been communicated effectively in the past?

Q18 Do you think the Subaru Difference is a worthwhile initiative?

Q18

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	167	79.9	79.9	79.9
I don't know	32	15.3	15.3	95.2
No	9	4.3	4.3	99.5
	1	.5	.5	100.0
Total	209	100.0	100.0	

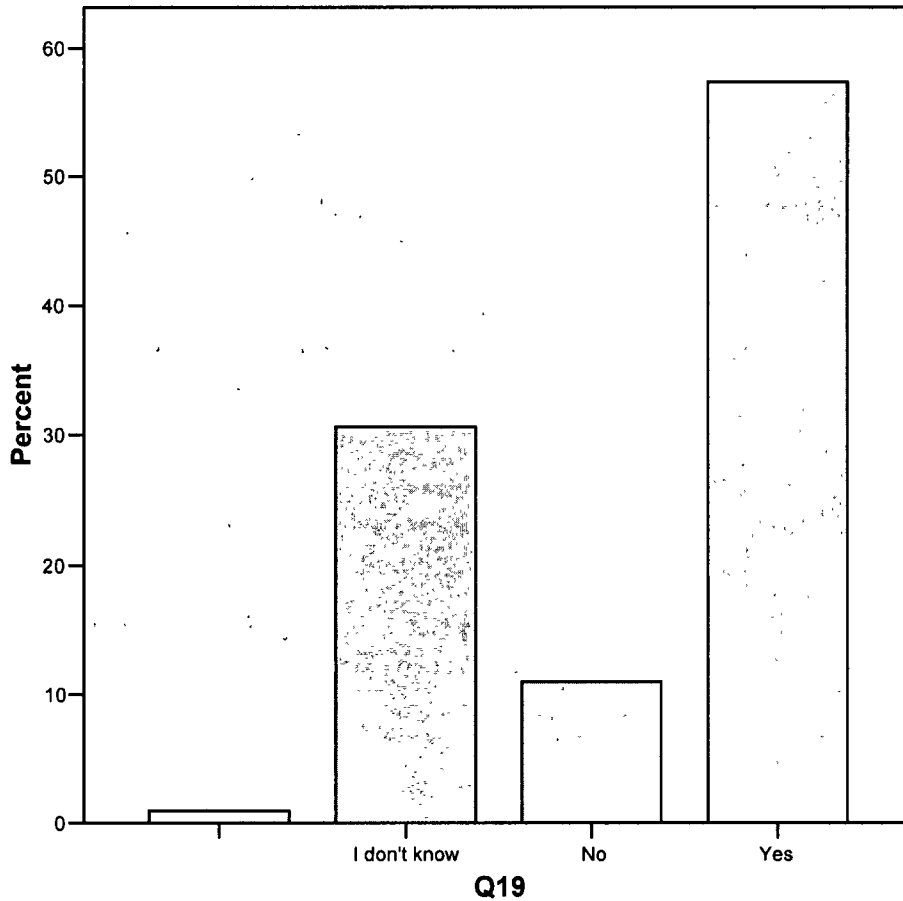


Q18 Do you think the Subaru Difference is a worthwhile initiative?

Q19 Do you think the Subaru Difference is important enough for everyone in the company to use on a daily basis? (individual goals & department goals)

Q19

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	120	57.4	57.4	57.4
	I don't know	64	30.6	30.6	88.0
	No	23	11.0	11.0	99.0
		2	1.0	1.0	100.0
Total		209	100.0	100.0	

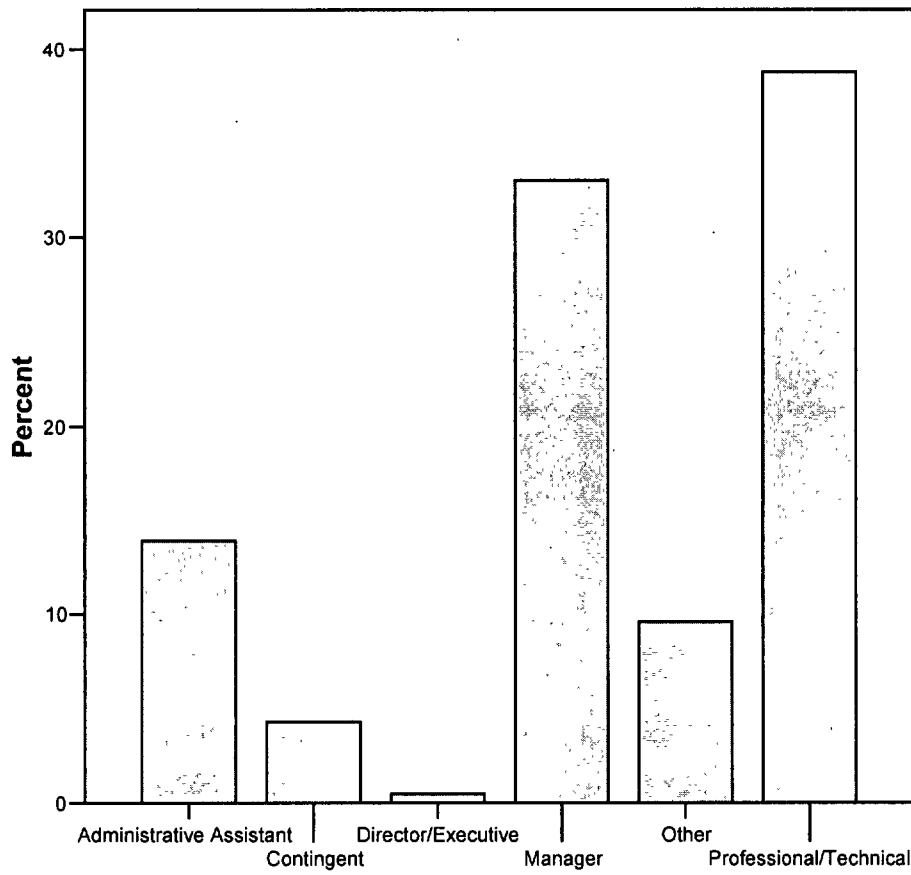


Q19 Do you think the Subaru Difference is important enough for everyone in the company to use on a daily basis? (individual goals & department goals)

Q20 Which of the following most closely matches your current position?

Q20

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Professional/Technical	81	38.8	38.8	38.8
	Manager	69	33.0	33.0	71.8
	Administrative Assistant	29	13.9	13.9	85.6
	Other	20	9.6	9.6	95.2
	Contingent	9	4.3	4.3	99.5
	Director/Executive	1	.5	.5	100.0
	Total	209	100.0	100.0	

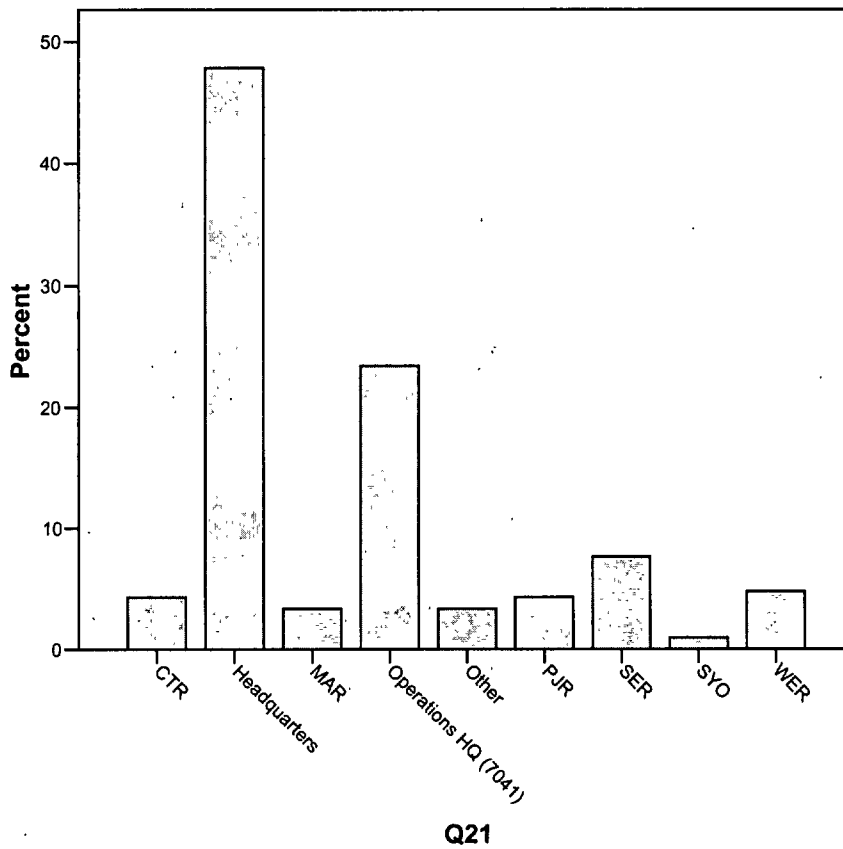


Q20 Which of the following most closely matches your current position?

Q21 Where are you presently located?

Q21

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Headquarters	100	47.8	47.8	47.8
	Operations HQ (7041)	49	23.4	23.4	71.3
	SER	16	7.7	7.7	78.9
	WER	10	4.8	4.8	83.7
	CTR	9	4.3	4.3	88.0
	PJR	9	4.3	4.3	92.3
	Other	7	3.3	3.3	95.7
	MAR	7	3.3	3.3	99.0
	SYO	2	1.0	1.0	100.0
	Total	209	100.0	100.0	

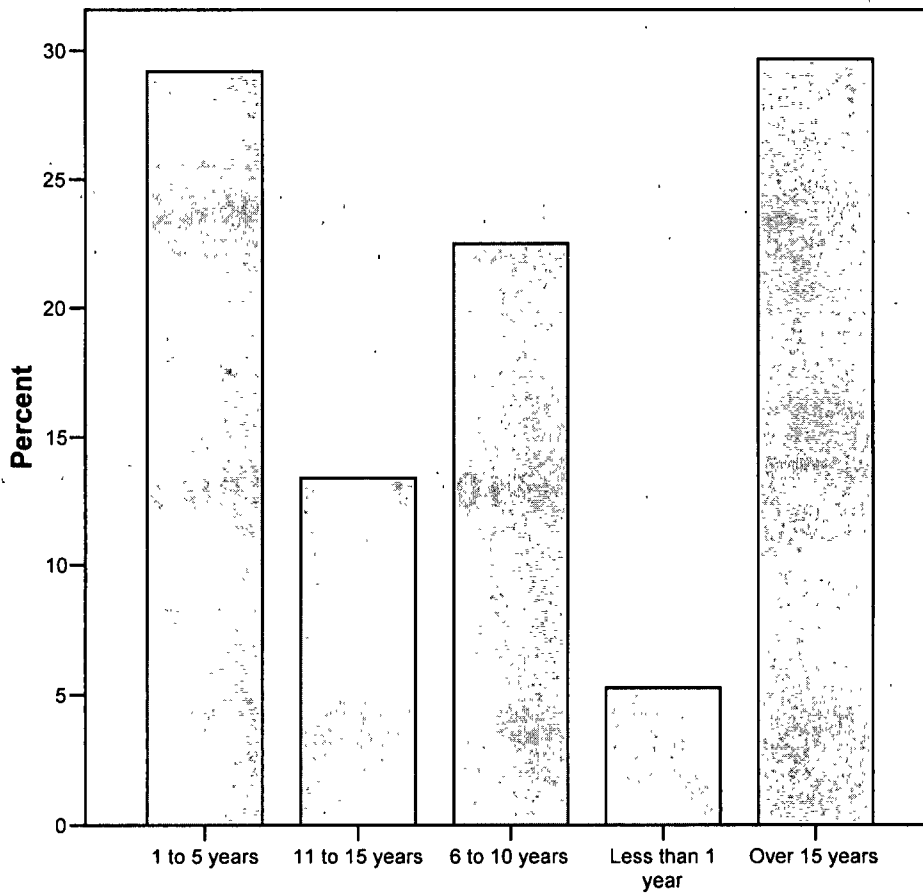


Q21 Where are you presently located?

Q22 How long have you been employed by Subaru of America, Inc.?

Q22

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Over 15 years	62	29.7	29.7	29.7
	1 to 5 years	61	29.2	29.2	58.9
	6 to 10 years	47	22.5	22.5	81.3
	11 to 15 years	28	13.4	13.4	94.7
	Less than 1 year	11	5.3	5.3	100.0
	Total	209	100.0	100.0	



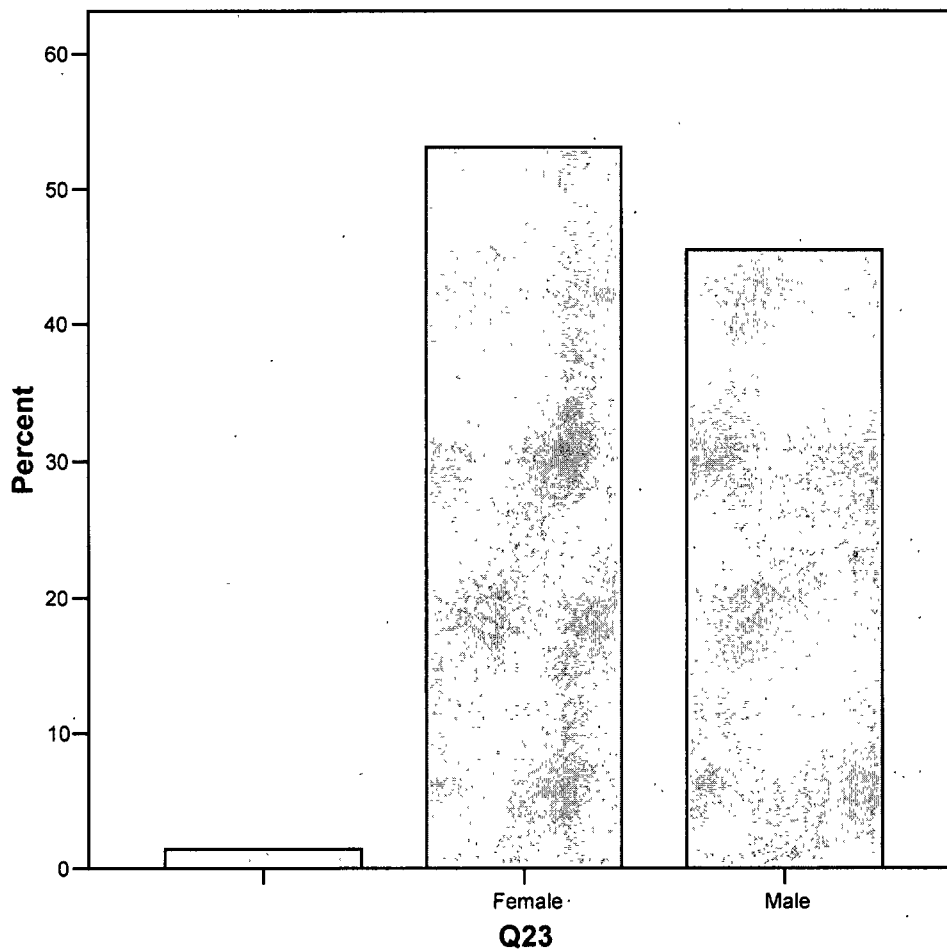
Q22

Q22 How long have you been employed by Subaru of America, Inc.?

Q23. What is your gender?

Q23

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	111	53.1	53.1	53.1
	Male	95	45.5	45.5	98.6
		3	1.4	1.4	100.0
	Total	209	100.0	100.0	

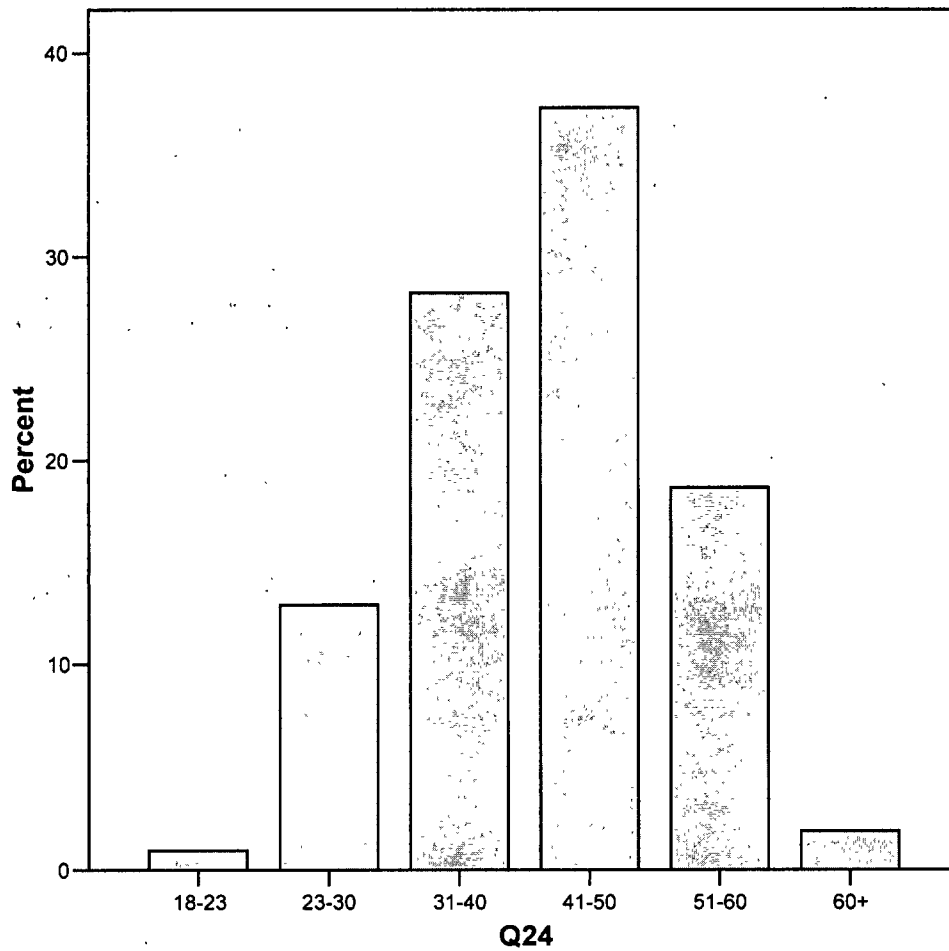


Q23 What is your gender?

Q24 What is your age range?

Q24

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	41-50	78	37.3	37.3	37.3
	31-40	59	28.2	28.2	65.6
	51-60	39	18.7	18.7	84.2
	23-30	27	12.9	12.9	97.1
	60+	4	1.9	1.9	99.0
	18-23	2	1.0	1.0	100.0
Total		209	100.0	100.0	



Q24 What is your age range?

* The following explanation will give reasons to why question numbers (12, 13, 15, 16, 17, 18, 18, 23) display markings on the bar graphs that are not labeled by variables. Also the following explanation will explain why those questions also display a finding of .5%. When the electronic questionnaire was created using Microsoft Front Page, an error was inputted by the author. In order for the questionnaire to have come back as intended the employees responding to the survey were required to answer *all* the questions or the form would not submit electronically. For those questions mentioned above, answers were not validated which again was by error of the author. This error resulted in respondents being allowed to leave an answer blank. Respondents were allowed to submit the form even with those blank answers, resulting in the errors reported above.*

Relevant Findings of the Questionnaire Study

- Of the 209 respondents, 100% reported that they have in fact at least heard of the Subaru Difference.
- Of the 209 respondents, 48.3% said that they are somewhat confident regarding their knowledge of the Subaru Difference, 23.9% greatly confident, 22% minimally confident, 2.9% not at all confident and 2.9% said I don't know.
- Of the 209 respondents, 53.6% felt that the Subaru Difference is very important to the Subaru culture, 30.6% somewhat important, 7.2% said I don't know, 6.2% said minimally important and .4% said not at all important.
- When asked what the number one way they currently receive information regarding the Subaru Difference, 24.4% said newsletters, 18.7% said magazines, 13.4% said Intranet, 11.5% said word of mouth, 9.6% said they do not receive any information, 9.1% said employee briefings, 4.8% said meetings, 4.3% said e-mail, 2.9% said websites and 1.4% said interoffice mail.
- When asked what the number one way they currently receive information regarding other company activities and initiatives, 75.1% said Intranet, 6.7% said

- word of mouth, 6.2% said e-mail, 3.8% said websites, 2.4% said employee briefings, 2.4% said meetings, 1.9% said magazines and 1.4% said newsletters.
- When asked what the best way to communicate with employees regarding new company programs or initiatives, 68.9% said Intranet, 20.1% said e-mail, 4.3% said meetings, 3.3% said interoffice mail, 1.9% said websites, .5% said newsletters, 5% said other and .5% said word of mouth.
 - When asked how important it is that employees of SOA are made aware of the Subaru Difference, 77% said very important, 19.1% said somewhat important, 1.9% said minimally important, 1.4% said I don't know, and .5% said not important.
 - Of the 209 respondents, 98.6% said they feel a responsibility to remain updated on company business.
 - Only 81.3% said they are aware that the Subaru Difference is an integral part of the company's overall strategic plan.
 - When asked the last time they heard anything about the Subaru Difference, 28.7% said in the past three months, 27.3% said in the past month, 27.3% said in the past week, 8.6% said in the past six months, 6.2% in the past year and 1.9% said over one year ago.
 - Only 70.3% of respondents said that they remember receiving the Subaru Difference newsletter.
 - When asked if they read the Subaru Difference newsletter, 64.1% of respondents said that they had.

- Only 46.9% of respondents said that the Subaru Difference newsletter was relevant to themselves and their jobs.
- 78% of respondents feel that the Subaru Difference is valuable enough for everyone in the company to take part in.
- When asked if they believe the Subaru Difference encompasses every aspect of SOA's business, only 46.4% of respondents said yes.
- 70.8% of respondents feel that the Subaru Difference directly applies to them and their department.
- 57.9% of respondents feel that the Subaru Difference has not been communicated effectively in the past.
- 79.9% of respondents feel that the Subaru Difference is a worthwhile initiative.
- Only 57.4% of respondents feel that the Subaru Difference is important enough for everyone in the company to use on a daily basis.
- When asked what their current position at Subaru of America, Inc. was, 38.8% said professional or technician, 33% said manager, 13.9% said Administrative Assistant, 9.6% said other, 4.3% said contingent employee, and .5% said Director or Executive.
- When asked where they were presently located, 47.8% said Headquarters, 23.4% said Operations Headquarters (7041), 7.7% said SER, 4.8% said WER, 4.3% said CTR, 4.3% said PJR, 3.3% said MAR, 3.3% said other, and 1% said SYO.
- When asked how long they have been employed by Subaru of America Inc., 29.7% said over 15 years, 29.2% said one to five years, 22.5% said six to ten years, 13.4% said 11 to 15 years and 5.3% said less than one year.

- Of the 209 respondents, 53% were of female gender.
- When asked to give their age range, 37.3% were 41-50, 28.2% were 31-40, 18.7% were 51-60, 12.9% were 23-30, 1.9% were 60 or above and 1% of respondents were 18-23.

Face to Face Interviews

The author conducted 20 face-to-face interviews with randomly chosen Subaru of America Inc. employees over the course of one month.

Specifically the study sought to determine in-depth answers to the following questions from Subaru of America Inc. employees:

- In your own words what is the Subaru Difference?
- Why is the Subaru Difference an important factor to the Subaru culture?
- How long has it been since you've heard the Subaru Difference mentioned by anyone? (in meeting, in department) In what context was it mentioned?
- How does the Subaru Difference directly apply to you and your department?
- In your opinion, what are the most effective ways employees can be made aware of the Subaru Difference?
- How do you feel about the following statement: "I feel I am part of the Subaru Difference?"
- What channels does Subaru rely upon most often to communicate the Subaru Difference with employees?
- Where can employees turn to learn about the Subaru Difference?
- In what ways does Subaru promote learning about the Subaru Difference and other initiatives within the company?
- What one thing would you change about the way the company communicates with its employees regarding the Subaru Difference and other company initiatives?

Results of the face-to-face interview study

Q1 In your own words what is the Subaru Difference?

- A newsletter that is sent out advertising what's going on in the company, what we are offering our customers and how we are unique.
- Not sure...
- An effort by the company to change our operational mentality to become excellent at satisfying the expectations of our customers.
- Establishes an internal corporate culture and a set of values that identify how our organization operates and interacts from the Executive level to each individual employee.
- A level of customer-focused excellence that results in innovative and environmentally sensitive products, a dedicated and friendly dealer sales network and an experienced and responsive service team.
- Can't really associate it with anything specific...
- Setting customer service standards to meet and exceed customer expectations.
- The customer input drives or directly influences Subaru decisions.
- The dealer version is the Stellar Performers program.
- It will help our customers be more loyal to our brand.
- It involves everything from our culture, to the way we market, to the way our cars are made.

- A customer philosophy where the customer is put first throughout all levels of their interaction with Subaru.
- That's a good one.
- Honestly not sure.
- It is an attitude.
- The Difference is what sets Subaru apart from other companies.

Q2 Why is the Subaru Difference an important factor to the Subaru culture?

- Not sure...
- I don't know if the Subaru Difference per se is important, but customer satisfaction definitely is.
- It sets the bar for every region.
- The Difference represents our initial offering of the first Subaru vehicles in the United States.
- Supports our lean and mean approach to operating as a company without negatively impacting the expectations of our loyal customers.
- If the program is successfully implemented the customers' wants will be satisfied by our product which will promote continued purchasing of Subaru products.
- It needs to be part of our everyday work life and culture.
- I honestly do not know...
- Public expectations change, products change and business in general changes, so we must change with the times to ensure our success as a brand.
- Because it sets us apart from other manufacturers.

- It affects all employees, on all levels, every day.
- It's a rallying cry.
- Can't really answer that question...
- If everyone has a "can do" attitude we can create an owner loyalty based company.
- We need to know what sets our company apart from others and how we can help the Subaru Difference.

Q3 How long has it been since you've heard the Subaru Difference mentioned by anyone? (in meeting, in department) In what context was it mentioned?

- I haven't heard it mentioned in my department in a long time.
- 6 months – mentioned as confused with the Stellar Performer program.
- I have not encountered any reference to the Difference in months.
- May have been mentioned in a meeting or two, but not in a significant way.
- Two years ago – I was involved in another project and heard it mentioned.
- I have not been in a meeting in over a year in which the topic of the Subaru Difference was mentioned.
- I haven't even heard the phrase "Subaru Difference" mentioned during the last five months.
- It was a focal point our National Dealer Meeting a week ago.
- Probably years...I don't remember the last time.
- One month ago in a staff meeting.
- On CCTV several weeks ago...can't recall the context.

- I can't remember.
- Someone recently complimented me and said I made a difference to the department by the nice manner in which I handle things, that is "making a difference to me."
- During the dealer meeting last week.

Q4 How does the Subaru Difference directly apply to you and your department?

- I'm really not sure.
- It should impact how we go about our day-to-day jobs, but the reality is sales pressure has much more influence.
- We maintain a flexibility that allows us to make quick decisions that have real impact to the organization's performance.
- I am in the Customer/Dealer Services Department and we have a direct line to the customer.
- A Process Improvement Methodology is being utilized that will enable SOA to continuously assess and improve its internal processes and standards in all areas of the company.
- My department really does not have direct contact with the customer...however the end users we support do.
- We collect and store their private contact and vehicle information and contact them periodically through campaigns.
- We are updating our Signature of Excellence Program so that we better represent a premium brand.

- It should define us. We should not market like the other manufacturers. We should strive to retain the unique brand promises that we've made to ourselves.
- I work with all employees and dealers so it is vital to me.
- Good question.
- Don't know.
- We are all part of the whole.
- My department doesn't interact with customers, so I don't believe the Subaru Difference applies to my department.

Q5 In your opinion, what are the most effective ways employees can be made aware of the Subaru Difference?

- E-mail
- Executives focusing on improved customer service results
- Monthly e-mails
- SOA Intranet updates
- Quarterly, corporate-wide (mandatory attendance) reviews
- All employee mandatory meeting
- Employee seminars
- Dealer meeting site visits
- Mandatory class concerning the Subaru Difference strategy
- Special events or contests around the Difference
- A newsletter specifically about the Subaru Difference
- Implement the program in small steps

- T-shirts
- Face-to-face meetings with upper management explaining the importance of the Difference
- Give out materials in the HR packet during new hire orientation
- Give out materials in HR packet during a new hire's first day
- By having managers, directors, and VPs constantly emphasizing the importance

Q6 How do you feel about the following statement: "I feel I am part of the Subaru Difference?"

- Well since I'm not exactly sure what the Subaru Difference is, I would be uncomfortable saying I am part of it.
- Yes I am, but I don't think about it every day.
- I think our department is burning the candle at both ends to do more with less.
- I truly believe that I am part of the Subaru Difference...I am proud that I am a long-term employee of Subaru.
- Don't feel that way due to the daily grind of being in a system integration project that is isolated from my home department.
- That statement does nothing for me.
- It may be a bit strong...I feel that I am part of the Subaru Difference through my personal attitude and work ethic, but not really from anything the company has provided or directed.
- I feel like I am part of the Subaru Difference but it is not fully practiced throughout the organization.

- Sometimes I am, sometimes I'm not. It depends on who the leaders of a department are.
- I agree with the statement. I can clearly see how the Subaru Difference affects me, my job and my department on a daily basis.
- It does not move me.
- I feel like I make a difference at work.
- Although I don't feel I directly impact the Subaru Difference, I feel I am part of the team.

Q7 What channels does Subaru rely upon most often to communicate the Subaru Difference with employees?

- I think it is in a newsletter format sent out through the mailroom.
- Newsletter...but I haven't seen a new one in months.
- I think that this concept is currently communicated through word of mouth, training and meetings.
- SOA Intranet
- Project initiatives
- Employee curiosity
- I believe employee briefings/announcements are Subaru's main channels.
- Drive magazine
- CCTV
- The Regional Customer Retention Managers at the regions.
- I can't think of any...again I've not heard the idea in recent memory.

- Hmmmmmm....
- Focus newsletter?
- Employee recognition on dates of hire for 5, 10, 15, 20, 25 year anniversaries.

Q8 Where can employees turn to learn about the Subaru Difference?

- I'm not sure...I looked on the Intranet a while back and didn't see anything except an old employee briefing from 9/2000 in which it was introduced.
- Managers
- Intranet
- Source I would turn to is the HR Department...again, better communication from the top-level would bring more focus to this.
- Product materials
- Special freebies/activities
- CCTV
- Staff meetings
- Drive Magazine
- Sales Department/Service Department/Regional offices
- The Customer Loyalty site in which it is featured is not particularly helpful.
- Brochures
- Ideally there should be a central location, perhaps a website.
- Communications Department
- I am sure it is on the Intranet somewhere...

Q9 In what ways does Subaru promote learning about the Subaru Difference and other initiatives within the company?

- Employee briefings
- The newsletter is all that I am aware of.
- HR training seminars
- I really can't pinpoint specific recent times that the Subaru Difference was promoted internally.
- Not quite sure.
- Drive Magazine
- National Training Meetings for Regional Field Staff
- Unaware of anything
- It doesn't
- Another good one...
- I really don't know.
- Diversity training
- Memos/brochures

Q10 What one thing would you change about the way the company communicates with its employees regarding the Subaru Difference and other company initiatives?

- Not sure
- I think actions speak louder than words. People will embrace the Subaru Difference if they see it will help their career or make their boss happy.

- To lend importance/urgency to the program. I need to hear it from the leaders of the organization on a consistent basis. Once every six months or year is not enough to nurture real change.
- The most important thing that Subaru should do to embrace this Subaru Difference is to be committed to the concept...ask and expect that we all play a part in making a difference to our product sales.
- More face time with executives and VPs
- The company needs to illustrate how crucial the Subaru Difference is to Subaru's growth and survival in the auto industry.
- More communication needs to come from executive management in employee briefings and from departmental managers in regular meetings. Attendance (at least for managers) should be mandatory to get us used to meeting face-to-face again.
- If this is something the company truly finds important then it should be referenced and made part of all employee meetings...currently, it is only discussed when it has to be discussed.
- More frequency
- Better communication on a regular basis.
- I asked four co-workers and half knew almost nothing and half had a vague idea. I think people are truly embarrassed to say they know very little about this initiative.
- Maybe have immediate management more involved in promoting the Subaru Difference. It's one thing when we receive brochures or executives talk about the

Subaru Difference, but when management you immediately work with talk about it and even point out how it affects you, it would definitely be more effective.

Chapter Five

Summary, Conclusions and Recommendations

Summary

The purpose of this study was multifaceted. The first purpose was to examine the Subaru Difference Initiative campaign of several years ago and see what aspects succeeded and also what areas needed change. The second purpose was to evaluate the effectiveness of the Subaru Difference and the role it currently played within the Subaru of America Corporation. The third purpose was to perform research to obtain a better understanding of how employees would like to be communicated with in the future regarding the Subaru Difference and also what future steps can be taken to improve the overall clarity and effectiveness of this initiative. The author sought to acquire these findings through a two-pronged study. First the author constructed an electronic questionnaire that was sent to all 850 employees within the Subaru of America Corporation. The author also gained valuable insight into this study by conducting 20 face-to-face interviews with employees of Subaru of America Inc.

Questionnaire to Subaru of America Inc. Employees

The author constructed the survey instrument after conducting a literature review through resources at Rowan University's Campbell Library and through interviews with several employees at Subaru of America Inc. The questionnaire was reviewed by the Communications Editor at Subaru of America Inc. and Rowan University Professor Emeritus Donald R. Gallagher. An online questionnaire was designed and used to contact all 850 employees at Subaru of America Inc. The questionnaire was posted on the Subaru

of America Inc. Intranet page with a preamble informing them of the study and asking for their participation. The questionnaire was completed and posted on the Intranet page May 11, 2004.

The research tool was available to all 850 employees at Subaru of America Inc. regardless of position or workplace throughout the country. The questionnaire was posted on the Subaru Intranet page on May 11, 2004 and respondents were given a deadline of May 18, 2004. The questionnaire was available to all employees and were not selected by any sort of random sampling. The questionnaire brought about 209 responses and upon receipt of the completed survey, the results were collected and analyzed.

The author hand-coded the 209 questionnaires. He used the Statistical Package for Social Sciences (SPSS) software to analyze the data from which he derived findings, drew conclusions and made recommendations.

Face-to-Face Interviews

Face-to-face interviews were conducted with employees at Subaru of America Inc. Headquarters in Cherry Hill, New Jersey.

The interviews were conducted over a one-month period during March 2004. All answers were recorded by the author and presented in chapter four of this study.

Conclusions

Questionnaire to Employees

The questionnaire responded by 209 employees of Subaru of America Inc. uncovered information useful for both employees of Subaru of America Inc. and other companies alike.

While 100% of employees at Subaru responded that they have in fact heard of the Subaru Difference, only 23.9% said that they were greatly confident in their knowledge. This response strongly indicates a need by the organization to communicate with employees new initiatives and programs on a more consistent basis.

Results indicate that only a little more than half of all employees responding to the questionnaire felt that the Subaru Difference is very important to the Subaru culture. For employees to embrace the Subaru Difference as a worthwhile initiative, upper-level management must convey to all employees that this program is a vital part of continuing the success Subaru has had over the past ten years and also placing Subaru under premium brand status.

Employees responding to this questionnaire also indicated that 10% have not ever received any sort of information regarding the Subaru Difference. Results indicate that employees prefer to communicate through the Intranet and e-mail, moving further away from snail mail and memos. This can be directly related to current advances in communication technology.

Results indicate that 98.6% of employees feel a responsibility to remain updated on company business but in comparison only 27.3% said they had heard anything regarding the Subaru Difference in the past month. The desire for information is

definitely present within Subaru of America Inc. but the need to feed that desire is lacking significantly.

Results indicate that only 70.3% of respondents remember receiving the Subaru Difference newsletter and even more significantly only 64.1% remember reading the newsletter. For the message of the Subaru Difference to spread via the newsletter, it must be distributed on a consistent basis as well as being well-written and informative to the employees. According to this research less than half of Subaru of America Inc. employees feel that the newsletter was relevant to themselves and their job. The newsletter must be written in such a way that everyone can take part in learning about the Difference and feel that they are an integral part of its success.

Over 75% of respondents feel that the Subaru Difference is valuable enough for everyone in the company to take part in. As stated before, the desire from employees to learn about this initiative as well as many others is definitely present but it is now the responsibility of those in charge of sending the message to find the correct channels to do so. The results prove this by showing that 57.9% of respondents feel that the Subaru Difference has not been communicated effectively in the past. This research clearly shows the need for improved communication throughout the entire process of the Subaru Difference and improved communications for the future.

A demographic statistic may have impacted the results of this study surrounds the years of employment of those employees responding to this questionnaire. Almost one third of those employees who responded to this questionnaire indicated that they had 15 or more years of employment with Subaru of America Inc. This could clearly impact the

results of this questionnaire depending upon their experience and training throughout their careers.

Face-to-Face Interviews

The author conducted face-to-face interviews during the month of March 2004 at Subaru of America Inc. Headquarters in Cherry Hill, New Jersey.

Over the one-month period the author interviewed 20 employees from 20 different departments including male and female participants.

The data compiled from the face-to-face interviews clearly indicates that most employees at Subaru of America Inc. do not know what the Subaru Difference is or what it entails. Although this data cannot be generalized across the entire company, it shows a clear indication of the lack of knowledge of the Subaru Difference as well as a need for improved communications throughout the company.

Through a deeper analysis of the respondents' answers and in comparison to the answers from the questionnaire, the author found a direct correlation between the lack of knowledge regarding the Subaru Difference and the need for better communication and distribution of messages and ideas.

This study clearly shows that employees are willing to embrace new ideas and initiatives that the company puts forth, but in order for everyone to be on board the messages must be presented clearly and in a well formed manner.

Recommendations

“Subaru needs to capitalize on employees’ desire for involvement, participation and information. Employees’ goodwill and enthusiasm are there, but employees are also frustrated by the absence of a formalized communications program to meet their needs. If Subaru wants to keep morale and productivity high, the company needs to keep employees informed and make them feel part of the family; and treat them as equal partners.

Subaru can address the challenges and opportunities detailed in the author’s findings by taking a four-step approach towards improving communications: identify, plan, implement and measure.

In the planning step, Subaru of America Inc. should write a communications plan that clearly identifies the communication goals of the Subaru Difference, the objectives, strategies, timelines and staffing needs to place the Difference in the right direction.

Subaru must identify what channels of communication employees use and actually prefer. The company must identify what channels were used in the past and have succeeded and failed as well as possible communication solutions for the future. Subaru must also identify the reasons why employees feel disconnected with the Subaru Difference and must also evaluate employees’ perceptions of company benefits and personal benefits of the Difference.

In the implementation phase Subaru should design a communication plan for first-year employees. They should evaluate the orientation process to ensure that the Subaru Difference’s message is achieved during orientation. Subaru should also develop a

communications plan to explain and promote the importance of the Subaru Difference within the Subaru culture.

Subaru should then evaluate how its objectives and tactics followed through. Subaru should do extended research to see if employees understand the mission of the Subaru Difference. Also evaluation should be done further to see if employees feel that they are an everyday part of the Difference as well as empowered by the Subaru culture.

Other ideas exist that may warrant further study. These include:

- How technology is changing internal communications
- The evolution and future of corporate communications
- How are the practices of internal communications changing within corporate environments
- What does “change communication” mean?
- The role of communication in managing change

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Appendix

****This is not the electronic version of the survey that respondents filled out. Due to an unforeseen computer glitch the author was forced to type out the survey in Word document form and such follows****

“Revitalizing the Subaru Difference” – Survey

This study is confidential

Please do not identify your name or the department where you work

“Revitalizing the Subaru Difference”

All employees who complete and submit the following survey are eligible to enter a drawing to win a \$100 gift certificate to L.L. Bean. The survey is confidential which means anyone wishing to enter the drawing will need to send a blank email to corpcom@subaru.com. Only one entry is allowed per person. Please do not send an email without completing the survey. The survey will be posted through Tuesday, May 18th.

This questionnaire you are about to complete was specifically designed for you as an employee of Subaru of America Inc. Its purpose is to gauge employee knowledge regarding the Subaru Difference and its initiatives over the past few years. The design will measure not only current employee knowledge of the Subaru Difference, but also measure how employees would like to be contacted with information in the future.

All employees are being asked to take part in this survey, and even if you are a newly appointed position, please feel free to base your answers on current knowledge regarding Subaru of America Inc. to the best of your ability. If a question does not apply to you in any way, simply do not answer that question.

All questions asked are strictly for research purposes only. Your participation is greatly appreciated.

This study is confidential. You are not required to include your name or department. Results may be published in the future.

Please mark the answer that best applies to you.

“Revitalizing the Subaru Difference” – Survey

1.) Have you heard of the Subaru Difference?

- a.) Yes
- b.) No
- c.) I don't know

2.) If you responded “Yes” to question number 1, how confident are you in your knowledge regarding the Subaru Difference?

- a.) Greatly
- b.) Somewhat
- c.) Minimally
- d.) Not at all
- e.) I don't know

3.) How important do you feel the Subaru Difference is to the Subaru culture?

- a.) Very important
- b.) Somewhat important
- c.) Minimally important
- d.) Not important
- e.) I don't know

4.) What is the number one way you currently receive information regarding the Subaru Difference?

- a.) Subaru Difference Intranet Page
- b.) “Focus” Newsletter
- c.) E-mail
- d.) Interoffice mail
- e.) DRIVE Magazine
- f.) Meetings
- g.) Word of mouth
- h.) Web sites (subaru.com)
- i.) I do not receive information on the Subaru Difference

“Revitalizing the Subaru Difference” – Survey

- 5.) What is the number one way you currently receive information regarding other company activities and initiatives?
- a.) Intranet
 - b.) Newsletters
 - c.) E-mail
 - d.) Interoffice mail
 - e.) Magazines
 - f.) Employee briefings
 - g.) Meetings
 - h.) Word of mouth
 - i.) Web sites (subaru.com)
 - j.) I do not receive information on company activities
- 6.) What is the best way to communicate with employees regarding new company programs or initiatives?
- a.) Intranet
 - b.) Newsletters
 - c.) E-mail
 - d.) Interoffice mail
 - e.) Magazines
 - f.) Meetings
 - g.) Word of mouth
 - h.) Websites
 - i.) Other
- 7.) In your opinion, how important is it that employees of SOA are made aware of the Subaru Difference?
- a.) Very important
 - b.) Somewhat important
 - c.) Minimally important
 - d.) Not important
 - e.) I don't know

“Revitalizing the Subaru Difference” – Survey

8.) Do you feel a responsibility to remain updated on company business?

- a.) Yes
- b.) No
- c.) I don't know

9.) Are you aware that the Subaru Difference is an integral part of the company's overall strategic plan?

- a.) Yes
- b.) No
- c.) I don't know

10.) When was the last time you heard anything about the Subaru Difference?

- a.) In the past week
- b.) The past month
- c.) The past 3 months
- d.) The past 6 months
- e.) 1 year
- f.) Over 1 year

11.) Do you remember receiving the Subaru Difference newsletter “Focus?”

- a.) Yes
- b.) No
- c.) I don't know

12.) Did you read the newsletter?

- a.) Yes
- b.) No
- c.) I don't know

“Revitalizing the Subaru Difference” – Survey

13.) If answering “Yes” to question 12, do you think the newsletter is relevant to you and your job?

- a.) Yes
- b.) No
- c.) I don’t know

14.) Do you feel the Subaru Difference is valuable enough for everyone in the company to take part in?

- a.) Yes
- b.) No
- c.) I don’t know

15.) Do you believe the Subaru Difference encompasses every aspect of SOA’s business?

- a.) Yes
- b.) No
- c.) I don’t know

16.) Do you feel the Subaru Difference directly applies to you and your department?

- a.) Yes
- b.) No
- c.) I don’t know

17.) Do you think the Subaru Difference has been communicated effectively in the past?

- a.) Yes
- b.) No
- c.) I don’t know

18.) Do you think the Subaru Difference is a worthwhile initiative?

- a.) Yes
- b.) No
- c.) I don’t know

“Revitalizing the Subaru Difference” – Survey

19.) Do you think the Subaru Difference is important enough for everyone in the company to use on a daily basis? (individual goals & department goals)

- a.) Yes
- b.) No
- c.) I don't know

20.) Which of the following most closely matches your current position?

- a.) Contingent
- b.) Administrative Assistant
- c.) Professional/Technical
- d.) Manager
- e.) Director/Executives
- f.) Other

21.) Where are you presently located?

- a.) Headquarters
- b.) Operations Headquarters (7041)
- c.) CTR
- d.) PJR
- e.) MAR
- f.) SER
- g.) WER
- h.) SYO
- i.) Other

22.) How long have you been employed by Subaru of America Inc.?

- a.) Less than 1 year
- b.) 1-5 years
- c.) 6-10 years
- d.) 11-15 years
- e.) Over 15 years

“Revitalizing the Subaru Difference” – Survey

23.) What is your gender?

- a.) Male
- b.) Female

24.) What is your age range?

- a.) 18-23
- b.) 24-30
- c.) 31-40
- d.) 41-50
- e.) 51-60
- f.) 60 +

Face-to-Face Interview Guideline

1. In your own words, what is the Subaru Difference?
2. Why is the Subaru Difference an important factor to the Subaru culture?
3. How long has it been since you've heard the Subaru Difference mentioned by anyone? (in meeting, in department) In what context was it mentioned?
4. How does the Subaru Difference directly apply to you and your department?
5. In your opinion, what are the most effective ways employees can be made aware of the Subaru Difference?
6. How do you feel about the following statement: "I feel I am part of the Subaru Difference?"
7. What channels does Subaru rely upon most often to communicate the Subaru Difference with employees?
8. Where can employees turn to learn about the Subaru Difference?
9. In what ways does Subaru promote learning about the Subaru Difference and other initiatives within the company?
10. What one thing would you change about the way the company communicates with its employees regarding the Subaru Difference and other company initiatives?