

How Technology Has Influenced the Field of Corporate Communication

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This commentary serves as a sequel to and an update of the author's earlier article "Corporate Communication as a Discipline: Toward a Definition." In addition to presenting new information about the field of corporate communication, the author discusses the particular effect that technology has had on the field as both a function in business and a discipline within the academy. He focuses specifically on the challenges and opportunities that new technologies have brought to the field and explores possibilities for teaching and research.

Keywords: *corporate communication; technology; blogs; integration; new communication channels*

Ten years ago, when *Management Communication Quarterly* asked me to write an article defining corporate communication as a discipline (Argenti, 1996), the field was relatively new to business schools and was transitioning in the business world from the media-oriented field of public relations into corporate communication, a more integrated, organizational function focusing on multiple constituencies. Now corporate communication is being reformulated again by unprecedented technological change. When that article, "Corporate Communication as a Discipline: Toward a Definition," was published in 1996, fewer than 15% of Americans had Internet access; today, more than 60% have Internet access (Fox, Anderson, & Rainie, 2005). Worldwide, people use the Internet to communicate via e-mail; read the news; access medical, government, and financial information; participate in online auctions; buy and sell stocks; and make travel reservations. Users also communicate with corporations directly and indirectly through a growing list of Web sites, online chat rooms, and blogs. This commentary focuses on the changes, challenges, and

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opportunities that technology has brought to corporate communication and explores possibilities for teaching and research.

CHANGING ENVIRONMENT

Within companies, the term *corporate communication* is used to describe four distinct aspects of communication (Argenti & Forman, 2002): It may describe a function, such as marketing or operations; a channel of communication; a communication process; or an attitude or set of beliefs. A company's corporate communication function is responsible for communication with both internal and external constituencies; it involves a number of subfunctions, such as media relations, investor relations, internal or employee communications, government relations or public affairs, community relations, corporate philanthropy, corporate reputation, and marketing communications. Corporate communication channels include not only printed materials but also information posted on a company's Web sites and blogs. Communication processes involve the style of communication, including tone and timing. Some organizations, for example, may use highly formal and bureaucratic styles, whereas others prefer informal styles that facilitate free-flowing dialogues between senior managers and employees, customers, analysts, and other constituencies. Finally, corporate communication is also an attitude or set of beliefs that people have about what and how to communicate and the inherent value of such efforts to communicate.

All these aspects of corporate communication are being transformed. Today, companies have less control of communication while various constituencies, competitors, and the general public have greater access to information and to employees at all levels within companies. Communication has become less static and more dynamic, involving many shifting channels and new capabilities. In the past, most corporate messages were broadcast by companies to inform audiences, what Munter (2005) called a "tell style" of communication, or to persuade them to do something that corporations wanted to accomplish (Schultz & Kitchen, 2004). Information was mostly pre-planned; it was designed and delivered to audiences through personal contacts, presentations, company visits, and the mass media. Today, technology accommodates real-time dialogue between companies and their constituents, replacing unidirectional messages from faceless managers. Companies must react to public inquiries and dialogue (Ihator, 2001), with less opportunity to prepare for presenting their own

versions of reality. Constituents expect information to be provided quickly, allowing little time for packaging.

Although the Internet allows companies to present their viewpoints directly to key constituents, control over information dissemination is lost (Ihator, 2001). A message directed at employees from a senior manager, for instance, can be spread to multiple constituencies who were not supposed to receive it. Investors and analysts following the financial markets can hear customer complaints intended for a company, which can affect its market value. One example of how the dissemination of negative information can spiral out of control happened in the summer of 2005, when Jeff Jarvis, on his blog *BuzzMachine*, chronicled his negative experience with Dell's customer service, corporate communications, and head of marketing. Traffic to his site doubled to over 10,000 hits per day during this time, and the media and investors noticed the situation, calling into question Dell's customer service in a very public forum (Beucke & Lee, 2005).

The control of information is also complicated by the sheer number of communication channels: Web sites, mobile phones, kiosks, ATMs, even gas pumps. Such diverse and geographically dispersed channels allow companies to reach customers and other constituencies cost effectively. For example, a glossy hard copy of an annual report shipped at some expense is no longer necessary (or expected) to disseminate information (Myers, Pickersgill, & Van Metre, 2004). But outside corporate control, records of what a company does and says, as well as what is said about it, are more readily available and searchable by anyone with Internet access. A recent documentary about Enron is a cautionary tale for all corporations (Gibney, 2005). This movie shows actual documents and footage that were obtained over the Internet, creating an indictment far more damaging than whatever the courts have handed down to the executives in question. And sites such as Internet Archive (<http://www.archive.org>) archive versions of Web sites, providing a historical record for all to see. For example, I used Internet Archive to compare the 1996 and 2005 versions of the AFL-CIO's Web site. In 1996, the site was primarily text based, with broad, basic sections for policy statements, press releases, research reports, newsletter information, and instructions for union organizing, as well as its boycott list. Clip art graphics were used to add color to an otherwise white screen (Figure 1 is a snapshot of the 1996 home page). By 2005, the AFL-CIO's Web site had expanded substantially. It featured a legislative alert center, including congressional voting records; color photographs of union members; interactive education tools, including a way to look up the total compensation of senior executives; games



Figure 1. A Snapshot of the 1996 Home Page of the AFL-CIO's Web Site
SOURCE: Retrieved August 29, 2005, from Internet Archive (<http://www.archive.org>). Reprinted with permission from the AFL-CIO.

and puzzles; an online union shop; a search engine; and a place to sign up for e-mail alerts. In 1996, there was no mention of a global labor movement; in 2005, it was an integrated part of the Web site. Perhaps the most telling change was that in 1996, the Web site had two major updates whereas in 2005, it had 122 (Figure 2 is a snapshot of the 2005 home page). Clearly, the changes between these two versions reflected more than mere technological improvements. They reflected a morphing and increasing sophistication in communication with constituents.

INTERNAL AND EXTERNAL CHALLENGES

With an increasingly mobile workforce, an empowered employee base, a broader audience for financial information, and a power shift to constituents in general, corporations are being challenged in new ways. Technology has fundamentally changed the dynamic between corporations and their employees and outside constituencies, creating a new sense of entitlement by enabling insiders and outsiders to

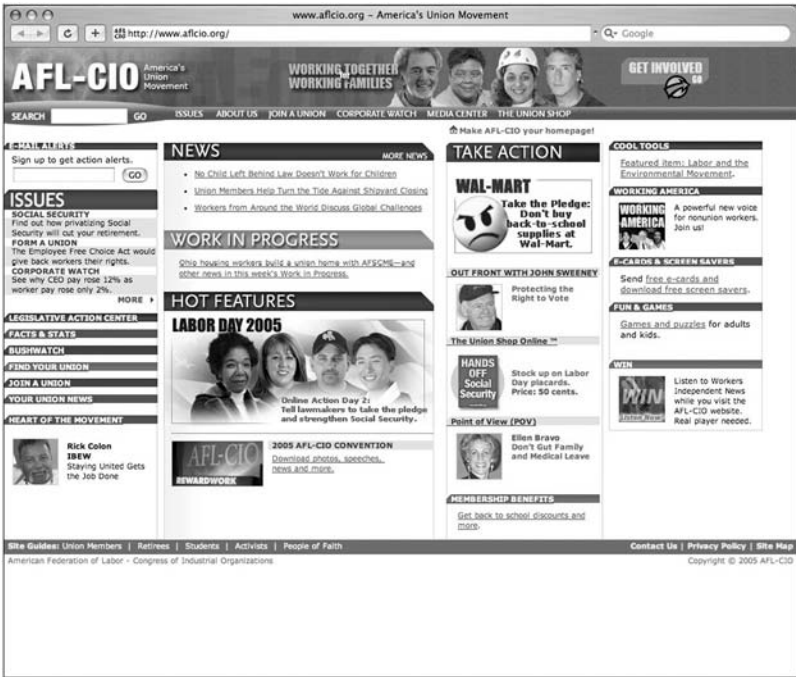


Figure 2. A Snapshot of the 2005 Home Page of the AFL-CIO's Web Site
 SOURCE: Retrieved August 29, 2005, from Internet Archive (<http://www.archive.org>). Reprinted with permission from the ALF-CIO.

disseminate and collect information about companies at will and a new equality in communication.

Employees

Today's employees are increasingly mobile. Connected to their peers and managers by electronic means rather than by close physical proximity, employees can work independently. With less "face time," companies may have more difficulty clearly communicating values, culture, and vision than they have had in the past (Jacobs, 2004). Employees' increased mobility has also created the need for managers to monitor employees through technology such as e-mail. For mobile employees, this lack of personal contact with peers and managers has led to a decreased sense of belonging and an "us versus them" attitude about management (Argenti & Forman, 2002).

Employees can also be bolder than ever before. They can go directly to the source of information without having to wait for management to relay packaged corporate messages (Ihator, 2001). They can distribute their own information about a company electronically to outside audiences, sometimes without any gatekeeping. And through internal forums such as intranets and external forums such as blogs, employees can share their views and publish their grievances as well as organize and demand action (Bishop & Levine, 1999). Thus, with access to e-mail, blogs, and social networking sites for sharing corporate information, most employees today are themselves corporate communication managers and potential publishers.

Finally, employees today are more accessible to people outside companies. The media, for instance, can look up employees on their corporate Web sites and contact them directly through e-mail. The same is true for recruiters trying to poach talent.

Outside Constituencies

Today, corporations have a different power dynamic with their constituents, who have ready access to the mass media and can post information on blogs or other online sources. Constituents can spread whatever stories they want from their own perspectives, making them part of the public record. This ready access to such public forums has made developing and attacking corporations easy for communities of antagonists, who are not held to the same level of accountability as corporations (see Argenti, 2004). As of yet in the United States, credible third parties such as newspaper editors do not police such antagonistic attacks. Years from now, who will be able to distinguish the truth from among the unedited and unregulated comments posted by bloggers seeking to discredit corporations?

Once inflamed, constituents have the ability to organize and protest using technology as their primary weapon of choice. According to Donna Jablonski, of the AFL-CIO,

new information technology is also changing the nature, composition, and modus operandi of the vocal publics. It is bringing together disparate publics that stretch beyond national boundaries. Protests against organizations can now take place both online and on the streets. Because it's easy, Internet-based activism lures the previously inactive into political activity and sets the stage for their continuing involvement. (*O'Dwyer's PR Services Report, 1999, p. 20*)

Corporate information also gets disclosed to the public by third parties, such as nongovernmental organizations, and it is mandated

by federal regulations that require companies to share information with all constituencies at the same time and that force managers to be more responsible and accountable for their actions (Christensen, 2002). Such regulations would not be possible without changes in technology that allow companies to release material information to all constituents at the same time.

OPPORTUNITIES FOR VISUALIZATION, INTEGRATION, AND MEASUREMENT

Technology has also brought new opportunities for corporate communication. Companies can now visually display information in nonprose formats, make corporate communication a more integrated function, and measure the effectiveness of corporate communication in terms of business outcomes.

Visualization

By enabling companies to display information in nonprose formats (e.g., presenting an annual report via multimedia instead of in a static book), technology has effected the visualization of information. Rafferty (1999) described how such visualization brings new forms of literacies:

The information age may be ushering in “document literacy”—the ability to interpret and use information from different kinds of formats, such as forms, charts, graphs, maps, and other visual displays, in which information is not arranged in sentence or paragraph form. Another form of literacy which the information age may be encouraging is “tool literacy”—the use of images, graphics, video, and audio to present information. (p. 22)

Information presented in such nonprose formats may reach more diverse audiences, internal and external to a company.

Integration

Through a research grant from the Center for Strategic Communication at the National Investor Relations Institute, I conducted over 60 interviews with CEOs, CFOs, corporate communication executives, and investor relations officers at companies including PepsiCo, Dell, FedEx, and Cendant (see Argenti, in press). A key finding of this

research was that the increasingly regulatory environment, more sophisticated and overlapping constituencies, organizational growth and complexity, and, most important, technology have spawned the need for corporate communication to become a more integrated function. Increasingly sophisticated front-end communication technology (e.g., e-mail, instant messaging) enables messages to travel virtually instantaneously within an organization, and beyond its walls, further increasing the need for coordinated and consistent messaging. For example, internal memos can be e-mailed by employees to friends or colleagues outside a company or posted to blogs just seconds after they reach their intended internal audience. Therefore, companies must be more vigilant than ever before in creating opportunities for the integration of both messages themselves and the processes necessary to achieve more consistent communication strategies.

But just as technology has forced companies to deal with a proliferation of new communication channels and challenges, it has also provided opportunities for the corporate communication function to become less insular and more integral to companies' day-to-day endeavors. E-mail group lists, intranets, and enterprise software, for example, help communication professionals (and employees in general) around the globe stay tapped into company activities. Satellite broadcast systems such as the digital FedEx Television Network are powerful communication channels for reaching employees around the world. Companies can also create online or networked libraries of communication-related materials for employees to access from anywhere. Harley-Davidson, for instance, created a company message library that various departments can turn to for key corporate messages ("Corporate Case Study," 2003). By taking advantage of technology, companies can present coordinated, consistent sets of communication to all of their constituents and take advantage of opportunities that may have been unavailable before the advent of new technologies.

Measurement

Technology can also be a critical tool for measuring the effectiveness of communication or communication programs. Through online surveys or audience-response system polls, for example, companies can quickly determine whether employees have heard and understood particular messages and then recalibrate or recommunicate the

messages if necessary. The same technology can be used to determine the effectiveness of communication programs. Most communication professionals know intuitively that effective strategic communication drives revenue, profits, brand value, customer loyalty, employee retention, and other important contributors to business success. But until now, most communication assessments have measured the quantity or efficiency of communication output, such as the amount of media coverage generated or changes in audience attitudes, rather than the changes in performance outcomes that matter to senior managers. The value corporate communication brings within a company has been difficult to determine.

Using traditional communication data, academics and practitioners have collaborated to develop a new approach for demonstrating the specific value communication adds to any organization. This new approach uses technology to measure communication activities, such as the tone and content of a message in the media, and then uses multivariate statistics and econometric modeling to examine thousands of pieces of information to determine the value of that communication activity on a business outcome such as market share or profit. In time, both senior managers and academic researchers will be able to look at the entire corporate communication function from this perspective and analyze the effectiveness of, say, a company's employee communication efforts compared with its media-relations efforts. Even more important for the credibility and future of the profession, managers and researchers will be able to measure the value of corporate communication programs, such as advertising programs or promotions, to a company's marketing success.

RETHINKING TEACHING AND RESEARCH

Although practitioners must find ways to embrace the challenges and opportunities technology presents, academics should view these challenges and opportunities as exciting possibilities for teaching and research.

Teaching Possibilities

Academics have access to more information for teaching corporate communication than ever before. Information that used to take months to gather through painstaking processes of interviews and on-site

document review is now readily available on the Internet. Content for lectures and case studies and visual images for PowerPoint presentations are also readily available. For example, students interested in learning more about Nike's approach to labor do not have to go to the library for information; they can log onto Nike's Web site to see how the company positions itself. Teachers and students can access almost instantaneously an unfathomable amount of useful information—annual reports, press releases, videotaped analyses, employee meetings, speeches—both in and out of the classroom.

Technology also enables us to bring companies into the classroom through videoconferencing, audioconferencing, and webcasting. Most executives are willing to visit a campus occasionally, but they are much more likely to do so electronically.

Finally, technology allows virtual visits. Instructors can ask students to view company Web sites to learn firsthand how companies position themselves. For example, I recently asked my M.B.A. students to review The Body Shop's Web site to determine how the company positions itself in terms of social responsibility. To my surprise, students discovered that its U.S. Web site emphasized beauty, with traditional pictures of models, whereas its U.K. Web site emphasized issues of social responsibility.

Research Possibilities

Technology presents the most exciting possibilities, however, for academics looking for new research challenges. By allowing unprecedented access to corporate information, technology bestows on researchers interested in the field of corporate communication a rich vein of information to mine on virtually any subject.

As an addendum to the research opportunities discussed in my original definitional article (Argenti, 1996), I review here a few of the possible research topics that technology has made much easier to explore.

Corporate reputation. Rather than gathering pounds of newspapers, magazines, and books, academics have access to all the information they need to explore corporate reputation in great detail through their computers. They can search for new identity programs, study how different constituencies view an organization's image, and gauge reputational risk factors more readily with an Internet search. With so many different reputational rankings in major business publications, such as *BusinessWeek* and the *Wall Street Journal*, researchers also can

access data suggesting how effective corporate communication activities are in terms of business outcomes.

Corporate advertising. A decade ago, capturing corporate ads was difficult unless you knew where to look for them. Today, with hard-drive recorders such as TiVo and Web sites that specialize in advertisements, researchers have access to almost every corporate advertisement that appears anywhere. And if they cannot locate it themselves, several providers will track it down for them. Thus, researchers have the luxury of examining corporate advertisements over a long period of time, researching the effectiveness of those ads with constituents, and then presenting this research in a Web-based publication. Technology also presents opportunities for researchers to examine advertising claims. Advertisers for pharmaceutical companies, for example, regularly claim that each dollar spent returns \$4.20 in earnings. What effect does corporate, rather than product, advertising have on sales? New econometric models allow researchers to isolate such effects and determine, with the rigor of marketing professionals, financial outcomes.

Media relations. In addition to tools for researching specific stories, which were already becoming available a decade ago, researchers now have access to nuanced studies of stories through media monitoring services such as Delahaye Inc., a division of Bacon's Information and KDPaine and Partners. These detailed reports give information about a company's media placements by topic (e.g., stories about a CEO), by publication (e.g., stories about a CEO appearing in the *Wall Street Journal*), and by tone (e.g., negative vs. positive). These placements may have been initiated by a company or by the media. Researchers should look at these data for trends about how companies are perceived in the media and for how various messages affect corporations' reputations or even business outcomes. More important, technology allows researchers access to almost anything that has appeared in the media over several decades. Such unlimited access enriches research significantly.

Financial communication. A good number of studies of annual reports have been published (Thomas, 1997) as well as some work on other corporate vehicles for financial reporting. But access to such financial information was more limited in the past. For example, one researcher studying CEO presentations announcing company earnings

had to make regular trips to the New York Society for Security Analysts (Rogers, 2000). But technology has made such research easier. Most annual reports are distributed electronically as well as in published form, and researchers can view webcasts to shareholders, shareholder meetings, annual and analyst reports, analyst updates from companies, and a variety of other tools distributed by investor relations departments in companies. This allows researchers to determine quite readily what companies are saying about themselves to the primary users of financial information, including analysts, bankers, and stockholders.

Employee relations. Technology has allowed companies to conduct more polls about employee attitudes, which provide data that can be used to research a variety of issues. Similarly, researchers can get access to company intranets to see how corporations are communicating with this key constituency and how that changes over time. Indeed, researchers can now ask, What kinds of information do most companies provide, and what do they leave out? More important, researchers (with permission) can access employee polls at companies to get answers to questions related to how the organization communicates.

Community relations. Corporations keep in touch with the wider community increasingly through electronic communication, which allows researchers to explore how companies try to reach out to communities about critical issues, such as the environment, sustainability, and other issues of social responsibility. Many companies are also starting to release corporate social responsibility reports that are even audited (Argenti, 2004). Researchers can analyze these reports and look for similarities and differences to help practitioners know what the best approach might be. Entire academic conferences now focus on corporate social responsibility, offering networking opportunities across disciplines for like-minded researchers.

Government relations. Companies have a greater responsibility to government than ever before as a result of increased regulation surrounding the distribution of information and the conduct of senior executives. Researchers can study how such regulation has changed the nature of corporate communication and what approaches in government relations and communication to other key constituents seem to work best. Because companies must be transparent, all of

the information is readily available. Technology has also opened up government files for researchers to access.

Crisis communication. Researchers interested in following corporate crises can do so much more easily than they could 10 years ago. Access to media, actual communication from companies, and employee reactions are available online. For example, researchers can turn to Web sites such as Technorati (<http://technorati.com>) to see how the blogosphere is covering a crisis in question.

Integration and measurement. Researchers might spend more time determining which technologies seem to work best for integrating corporate communication and exploring data from measurement studies under way at various companies. For example, research recently conducted at a pharmaceutical company determined that the use of instant messaging allowed corporate communication executives to stay in touch more regularly than either e-mail or the telephone.

In summary, opportunities for research in the area of corporate communication have never been greater. Through the Internet, more information is readily available from companies, and access to all constituencies is often possible. In addition, more sophisticated research tools are available through computers that can quickly process information.

CONCLUSION

Much has changed in the decade since my definitional article on corporate communication was published. We have more access to information of all kinds. Why, then, are so few academics taking advantage of what is available? Corporate communication is a recognized function in virtually every major corporation today, so I would think more academics in business and technical communication would take advantage of this opportunity to obtain data so easily. Technology has changed corporate communication dramatically, enabling researchers and teachers to stretch the boundaries of knowledge about communication in new and better directions. Perhaps technology will serve as the vehicle that will finally give the field more credibility as a business function by allowing for integration while enabling academic researchers to study the field more effectively.

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