

CHAPTER 1: ORIENTATION AND BACKGROUND

1.1 INTRODUCTION

“Without a strategy, an organisation is like a ship without a rudder, going around in circles. It’s like a tramp; it has no place to go” (Ross & Kami, in David, 2003:1). Described as the indication of an organisation’s position for the future, the strategy is determined for the purposes of overcoming the present and the future challenges that an organisation faces (Ritter, 2003:44; Steyn & Puth, 2000:29). It is the logic behind actions, and illustrates the *why* or *what* rather than the *how* (Steyn & Puth, 2000:29).

Consequently, it is common practice in most organisations to implement a corporate strategy that guides the organisation towards an intended purpose. The strategy is the organisational plan for a predetermined period, to motion towards a common goal while simultaneously creating synergy amongst internal stakeholders. In this way the popularity of strategies has become a universal ballade, in almost every existing organisation. Why then, are all the ships still not ‘sailing the waves’?

Unfortunately, in many cases, there is a mismatch between the design of the strategy (rudder) and the design of the organisation (ship). Furthermore, the strength of the strategy does not guarantee, the organisation’s survival against the challenges of the dynamic external environment (turbulent currents of the sea). What good is the strategy if it is erroneous, or if the strategy’s success and strength cannot be monitored, by means of an accurate measurement system?

In the above analogy, the success of an organisation is determined by the ability of the corporate strategy, to direct the organisation through unpredictable external forces. This surety is obtained, by firstly designing a strategy that matches the organisation’s abilities, and secondly by insuring the

strength of the strategy's effectiveness with consistent measurement, before, during and after the strategy has been implemented.

Steyn and Puth (2000:44) elucidate that functional or departmental strategies should support the corporate strategy by ensuring its implementation and execution. The corporate strategy's design, therefore, incorporates the combination of the strategies and measuring instruments, produced by all the departments or functions comprised in the organisation. These entities need to be tightly woven together to form an effective, productive design. Each department should understand their role and contribution towards the overall design of the corporate strategy. A lack thereof, could lead to wasted efforts and frustration.

In determining the strength of the strategy, David (2003:14) provides a comprehensive corporate strategic-management model, that emphasises the *strategy evaluation phase*. David (2003:14) explains that strategic evaluation is the determining success factor, when organisations are faced with dynamic environments, where key external and internal factors change quickly and dramatically. Effectively measuring the corporate strategy, involves understanding and measuring its design and strength.

The strength of the corporate strategy is also determined by the consistency of each department's performance measurement, as well as the effectiveness of the appropriate corrective action. Each entity's measurement instrument, should evaluate the correct facets of their performance, to avoid overlooking valuable contributions or worse; to be measured in inappropriate areas. More importantly, output metrics are meaningless, unless they are compared against goals and objectives (VMS, 2006c). In this way, each piece of the rudder is firmly fitted and glued together, resulting in an appropriate design that will steer the ship in turbulent currents. If proper performance measurement systems are not in place in each area of the business, and they do not monitor areas in need of improvement, the rudder will corrode, making the entire strategy and ship vulnerable to ever changing external forces.

Accepting the above stated role of departments or functions in the corporate strategy brings clarification to the expectation of the corporate communication department or function. Steyn and Puth (2000:2-21) identify various difficulties and shortcomings, commonly experienced between corporate communication practitioners and executives. These authors suggest, the compelling reason for this battle, is the lack of strategic understanding within the corporate communication function. The creation of a corporate communication strategy, originating from the corporate strategy, is suggested and tutored along with other strategic perspectives, to assist practitioners in bridging the gap. This reputable work has significantly contributed towards the emphasis of strategic alignment between entities – otherwise seen as the design of the strategy. A need, however, to differentiate the grey area around the alignment of performance measurement (strategic strength), still exists.

An old saying re-emphasised by Puth (2002:92), clarifies the above grey area, “What gets measured, gets managed”. Bauer (2004) emphasises that those things which are not measured, merits little or no attention from executives. Executives rely on numbers and figures, to make and support their decisions (Steyn & Puth, 2000:10). These numbers and figures largely depend on the measurement figures, generated from the organisational performance measurement model that portrays each department’s performance. Currently, only a few of the widely adopted organisational performance measurements models incorporate the measurement and evaluation of corporate communication as a function, which has continued to be a challenge for communication over many years (PR Influences, 2006). In times of financial pressures, corporate communication and public relations (PR) budgets (if allocated any), are often the first to be cut, due to the lack of measurement capabilities (PR Influences, 2005d). Tasks that are easily measured are given interest and as a result get the allocation of resources – these tasks are managed.

Despite corporate communication practitioners’ efforts to align departmental strategies with the corporate strategy, the inability to present measurement information that co-exists with the rest of the organisation, only widens the

gap between executives and communication practitioners. It is noted in PR Influences (2005e) that, “Practitioners are constantly told that they need to demonstrate how their efforts affect the organisation’s bottom line in order to compete with other departments for a slice of the budget and a seat in the boardroom”. Problems with the existing communication measuring outcomes are that it is often difficult to isolate the effects of communications, from other factors, such as advertising, marketing and distribution (VMS, 2006c). Additionally, the most obvious problems with measuring communication results are that they have been difficult to relate back to actual business outcomes (VMS, 2006c). This reveals the frightening dilemma that a need exists for an integrated performance measurement model, which captures the true contributions of corporate communication.

Various organisational measurement models have been developed, in literature and industry, to establish and quantify organisational performance. This study investigates a few of these prominent tools, with a specific focus on the Balanced Scorecard. It places particular interest in the performance indicators that find their origin in this model, namely Key Performance Indicators (KPIs). This metric is commonly recognised and employed throughout the world, and has gained considerable popularity, especially in the form of IT applications (cf Bititci, Mendibil, Nudurupati, Turner & Garengo, 2004:28; Ritter, 2003:46; Total Quality Engineering, 2005).

A related predicament facing the corporate communication strategy and measurement is the intangible nature of the contributions generated from the corporate communication function. Argenti (1998:54-55) classifies a few of the corporate communication functions to include media relations, investor relations, employee relations and government affairs. This can be further broken down into corporate reputation alongside corporate image and identity management, community relations, and crisis communication. The recurring theme, evident from this list, is that corporate communication is responsible for building and maintaining relations (Steyn & Puth, 2000:188). These responsibilities are seen as ‘softer’ or ‘tacit’ areas, otherwise known as intangible value, which does not directly affect the bottom line. Although

industry has seen considerable interest in communication areas, such as the corporate social investment (CSI), these areas still take a back seat to other corporate functions that directly affect the bottom line of the organisation, and that is to make profit.

The above impasse is aggravated by the need for resources. More often than not communication practitioners cannot demonstrate immediate tangible benefits, to account for the resources consumed, otherwise known as inputs. For example, building relationships takes time, and the benefits are only visible after a considerable period (PR Influences, 2001b); whereas sales define instantaneous tangible results. Corporate communication's long-term investment leaves diminutive evidence of the work that has been done. This once again widens the gap between executives and corporate communication practitioners, who battle to maintain their worth, especially when their efforts require resources, in order to bear fruit.

Practitioners, who fail to adequately measure and report, begin to place value on insignificant tangibles produced in attempt to illustrate their contributions. In so doing, practitioners endeavour in speaking a 'language' that senior managers acknowledge – money and numbers (PR Influences, 2003c). This is not entirely incorrect as certain tangibles are vital outputs of corporate communication practitioners. Lacking however, is a measurement tool that reflects the fundamental nature of corporate communication. It is much harder to measure the contentment of organisational relationships, than the financial status or the number of sales generated. This explains the lack of involvement from executives, in managing the 'softer and tacit' aspects that effect the organisation.

This study explores the current measurement tools available to corporate communication and PR practitioners, placing emphasis on models that may capture the intangible assets created by the corporate communication function. An investigation then attempts to align the corporate communication measurement criteria, with a performance measurement model. In this way the dilemma, associated with the strategic design and strength, is addressed.

1.2 PROBLEM STATEMENT

Ample academic literature, that examines organisational performance, exists. In addition, organisations in industry have developed numerous tools and other mechanisms, to cope with their ever-changing environments. Measuring organisational performance is a well researched and written about topic, especially on a corporate level. Less explored, however, is the integration of the correct performance measurement tools, developed and utilised in each function of the organisation. As a result, younger disciplines such as corporate communication, lack the ability to assimilate their contributions with the tools, used on a corporate level. In order for organisations to meet their strategic goals, its dependency on aligned contributions from each function, becomes strategically important. This study examines the development of performance measurement tools in the form of KPIs, for the corporate communication department in the IT industry, to aid in the alignment of its strategic intent.

Furthermore, the corporate communication department frequently contends with intangible value, which is difficult to define and measure. As a result, corporate communication practitioners place emphasis on tangible outputs that do not reflect the true value presented by this discipline. Quantitative measurements focused on tangible outputs, therefore, becomes the measurement means for corporate communication. For this reason, this study not only investigates the development of KPIs that align corporate communication with the corporate KPIs, but also reflects the true worth of corporate communication which can be captured scientifically.

1.3 RESEARCH OBJECTIVES

The general aim of this study is to explore an organisational performance measurement model that has the potential to include corporate communication, and to study the development of KPIs for the communication function. It also attempts to accommodate the measurement of intangible assets, generated by corporate communication activities.

In order to address the above problem statement, this study is an exploration into determining how to measure the value of corporate communication, in an organisational context. It does so by epistemologically consulting literature, to discover the theoretical routes of this business problem, and ontologically exploring the existence of corporate communication in industry, by conducting qualitative research. For this reason three specific primary objectives proliferate from the problem statement:

- The first objective is to epistemologically conduct a focused literature review in primary, secondary and tertiary sources of data, to question the true nature of the concepts dealt with in this study. The literature review investigates knowledge surrounding various techniques used to measure organisational performance, which are claimed to be essential for strategic success. Additionally, the literature review presents a synopsis of knowledge, pertaining to the existing corporate communication measurement tools, and examines the composition and role of KPIs.
- The second objective is to ontologically explore the existence of corporate communication measurement, among specialists in industry. These specialists are consulted through personal interviews, in order to identify, which strategies and measuring criteria are used on a daily basis, to measure corporate communication activities.
- The third objective is to critically perform an analysis of the information gathered from both literature and industry, and assemble a proposal suggesting a means to measure communication in an organisational context.

1.4 META-THEORETICAL FRAMEWORK AND CONCEPTUALISATION

To ensure that a theoretically sound exploration of the applied business problem (addressed in this study's problem statement) is conducted, an explanatory academic discussion will initiate the comprehensive theoretical

understanding regarding the origins of this business problem. Table 1.1 summarises the meta-theoretical framework and conceptualisation of this study.

1.4.1 Context of the study

This study's exploration is concentrated on the IT industry. The reason is that the IT industry has been reputed for underestimating the value of intangible facets, especially in the area of communication (Melendez, 2004:05). This reputation has developed as a result of incidents that harmed the reputation of the IT industry in general. T-Systems (2004:5) expands the above observation, explaining that the IT industry has become burdened with scepticism. This distrust peaked after events such as the 'Y2K scare' and the 'dot-com bubble', where IT stock markets crashed dramatically. According to T-Systems (2004:5), executives have become wary of the unrealised promises and hype associated with the IT industry. Today, the result of the above is a stricter allocation of financial capital in IT investments.

Furthermore, Puth (2002:94) explains how the large investments, those companies made in technology in the past, did not benefit the companies and wasted vast amounts of time in trying to get the IT systems to work. Melendez (2004:05) augments this statement, explaining that IT professionals, ill-identified their client's needs in the need identification phase. This resulted in the acquisition of unhelpful and overpriced products. Melendez (2004:05) continues that IT vendors were often criticised for providing vague cases, which did not clearly highlight the value of their services. These vendors sold IT assets that caused mistrust in the entire industry.

Despite this, technology remains a key dimension which organisations require to leverage competitive advantage. The impact of IT lies predominantly in the fact that it is, in most cases, the medium through which development (such as globalisation) has taken place. Farnham (2002:238) encourages managers to accept the challenge of implementing technology, to remain globally competitive and to ensure transformation. The conflicting nature of this

industry has lead to complicated infrastructures, increased competitiveness and rapid product life-cycles.

Table 1.1: Meta-theoretical framework and conceptualisation of the study

Context	Information Technology (IT) Industry – elected based on the principles of extreme / deviant case sampling.		
Worldview	Within the Communication Theory, corporate communication may be seen as residing in a Humanistic Scholarship process of inquiry. It, however, is a subsystem of the larger system namely the organisation which is dominated by the Scientific Scholarship in the process of inquiry. When measuring performance the two scholarships are in conflict, resulting in the loss of valuable information.		
Philosophical assumptions	This study epistemologically and ontologically explores the concepts of this study to explicate the development of a measuring tool that captures the intangible value of corporate communication and integrates with the organisational performance measurement model.		
Meta-theoretical	Practical Theory - covered in the scope of this study.		
Domains	Business management science (organisational context)	Communication management science (corporate communication)	Performance management
Descriptive sub-domains	<ul style="list-style-type: none"> • Organisational management • Strategy management • Human Resource management • Investor management • Community management • Legal and legislation management 	<ul style="list-style-type: none"> • Stakeholder communication • Stakeholder relationships • External communication • Internal communication 	<ul style="list-style-type: none"> • Organisational measurement • Corporate communication measurement • Departmental measurement • Individual measurement
Grand Theory	<ul style="list-style-type: none"> • Applied Post-structuralism as an exponent of the Critical Tradition. • The Systems Theory as an exponent of the Cybernetic Tradition. 		
Theories from respective domains	<ul style="list-style-type: none"> • Organisational Theory • Life-cycle Perspective • Systems Theory: Input-Process-Output Model 	<ul style="list-style-type: none"> • Theories of experience and interpretation (Phenomenological, Ethnography) • Post-structuralism • Hierarchy of Effects Model • Theory of Cognitive Dissonance • Hedging and Wedging Theory • Situational Theory • Social Exchange Theory • Resource Dependency Theory • Customer Relationship Theory 	<ul style="list-style-type: none"> • Critical Tradition • Systems Approach • Goal attainment Approach • Strategic-Constituencies Approach • Competing-Values Approach
Concepts	General business management	Corporate communication	Performance measurement
General constructs	Organisational vision, mission, strategies, values, departments / functions, objectives, management and measuring tools, leadership style, sustainability of strategy, core competencies, process alignment, innovativeness, corporate benchmarking, globalisation, business ethics, and trustworthiness.	Relationship development and maintenance, methods of communication, reputation management, perception, mutual trust.	Quantitative techniques, qualitative techniques, Key Performance Indicators, evaluation.

In the field of business process management (BPM), research analysts, such as BPTrends and Gartner advise vendors, initiating a BPM project, to target

their proof of concepts (POC) at processes that affect the organisations the most. This is because the benefit derived from the process management solution will be that much more evident in a severely chaotic scenario. Known as *extreme* or *deviant* case sampling, this practice makes use of unusual or distinctive cases to elicit rich and detailed information (Liamputtong & Douglas, 2005:46; Lindlof & Taylor, 2002:46). Embracing this approach, this study targets the IT industry, where the need for corporate communication is colossal, and the evidence of this discipline's contributions will be highly visible.

1.4.2 The worldview and domains of the study

Within the Communication Theory, the process of inquiry explains a systematic study of experience (direct / indirect) that leads to understanding and knowledge (Littlejohn & Foss, 2005:4-5). Within the organisational context, the process of inquiry takes place through an organisational performance measurement model utilised to systematically gather information for future decisions. The corporate strategy is based on the acquired information. It is here where the premise stating, "What gets measured gets managed" finds its origin and existence (Total Quality Engineering, 2005).

Within the process of inquiry, three scholarships define the approach, endeavoured to gather information. These are the Scientific Scholarship, the Humanistic Scholarship and Social Sciences Scholarship (Littlejohn & Foss, 2005:7-8). The Scientific Scholarship is associated with objectivity, in order to standardise observations. The Humanistic Scholarship seeks creative individuality and attempts to understand individual subjective responses (Littlejohn & Foss, 2005:7-8). The Social-Scientific scholarship draws elements from both the Scientific Scholarship and the Humanistic Scholarship.

Typically, the organisational context and the field of performance management base the process of inquiry on a scientific approach to standardise and generalise findings, these domains therefore utilise the

Scientific Scholarship approach to measure performance as a means of inquiry. Within the communication management science, the process of inquiry is aimed at building effective relationships, which are of benefit to the organisation. This requires creatively communicating and understanding the needs of each individual stakeholder group. For this reason, this discipline's process of inquiry makes use of a Humanistic Scholarship.

In this worldview the domains are in conflict with each other, however, according to the Cybernetic Tradition, each of these domains is a system that relies on each other to ensure effective strategic organisational performance (Littlejohn & Foss, 2005:34). This study incorporates the Social-Scientific Scholarship to address the conflicting approaches explained above. Littlejohn and Foss (2005:8) elucidate that the Social-Scientific Scholarship seeks to observe and interpret patterns of behaviour, by making the human an object of the study. If behavioural patterns exist then the observations need to be as objective as possible, in order for knowledge to be obtained (Littlejohn & Foss, 2005:8). Using personal interviews, in a qualitative approach, this study seeks to explore how corporate communication practitioners exist, perform and are being measured in organisational contexts. Objectively identifying behavioural phenomena captures the essence of the practitioners' daily experience. This will reveal what forms of intangible value is created by corporate communication, and how this is measured and integrated with the organisational performance measurement model. The findings are then scientifically encapsulated from both the constructivist origins as well as its positivist application.

1.4.3 Philosophical assumptions of the study

Referring back to the objectives of this study, views were provided regarding the epistemological and ontological means, by which this study will achieve its objectives. Littlejohn and Foss (2005:18-19) describes epistemology as a branch of philosophy that studies knowledge or how people know what they claim to know. The outcome of this study is routed in an epistemological philosophical assumption, because the study aids in the construction of

knowledge, through the development and alignment of the corporate communication measurement tool. This study questions the existence of the current measuring tools by confirming the certainty of their effectiveness and considering their explicitness. It is assumed in this study that a measuring tool aligning the organisation and corporate communication, already exists in practice, but has not been epistemologically linked to academic knowledge, or proven to be epistemologically sound.

In order for this knowledge to be attained, an ontological method of investigation is exercised in this study. Littlejohn and Foss (2005:19) defines ontology as the branch of philosophy that deals with the nature of being, centring on the nature of human existence. This study explores its concepts in industry, in an attempt to acquire adequate knowledge to generate the measurement tool, which is hoped to be epistemologically accurate. In this context, an organisation is a social being (represented in many different forms) that interacts with its stakeholders. The method and media the organisation chooses to send and receive messages, greatly affect the organisation's performance on various levels. This sort of interaction will become an element of ontological exploration during this study. Moreover, in terms of the actual qualitative research conducted in this study, the communication practitioners and departments are also the social being's under study. These practitioners' existence is examined to obtain knowledge about how communication is measured.

1.4.4 Meta-theoretical approaches of the study

This study resides under the umbrella of two meta-theoretical approaches namely the practical and nomothetic theory. The practical theory is designed to capture the rich differences among situations and to provide a set of understandings, which allow alternative courses of action (Littlejohn & Foss, 2005:19). This study utilises the practical theory to obtain rich information that investigates a revision in the approach to performance measurement.

Cronen (2005) expounds that practical theories explore what is unique, and thus supports this study's unusual aim of developing KPIs for corporate communication. The author further explains that the value behind the practical inquiry is that it has the ability to grasp the complexity and detail of lived experiences. In following a qualitative methodology, this study's data creation takes place in the form of engagement with others. These personal interviews encapsulate the complexity of the respondents' experiences and assist in identifying behavioural patterns, which can be used in future studies under the nomothetic theory.

The nomothetic approach is concerned with finding universal laws about human behaviour and generalising this to other humans in order to make predictions about their behaviour in given circumstances (International School of Prague, 2005). Although this study's theoretical ideal falls within the practical theory, the KPIs developed for corporate communication may be statistically researched in future studies, under the nomothetic meta-theory, to test for variations.

Relating to the worldview of this study, the practical theory can also be compared to the Human Scholarship process of inquiry, and the nomothetic to the Scientific Scholarship process of inquiry. Developing a result that practically captures the value of communication, and has the ability to be represented in a nomothetic outcome, might convince organisational leaders to adopt the proposal.

1.4.5 The domains and descriptive sub-domains of the study

Three domains are evident throughout this study. The first is the general business management science, otherwise referred to as the organisational context. This domain sets the scene for the type of communication conducted, namely organisational communication in the form of corporate communication. This domain also forms the larger system with regards to the Cybernetic Tradition, in this study. Within the communication theory, Littlejohn and Foss (2005:61-68) categorise the sub-domains (or communication

contexts) to assist in narrowing the focus of the communication. The organisational context has several sub-domains in the communication arena. Firstly, to achieve the purpose of the organisation, the vision and strategy of the organisation has to be communicated. Secondly various legal and legislative aspects need to be adhered to whilst conducting business, and these have to be communicated. Thirdly employees need to be informed and listened to. Fourthly external stakeholders such as investors, partners, and the community form part of the communication context. Each sub-domain of this domain has a complex communication pattern which has to work together to achieve the organisation's goals.

The communication management science is the second domain. Represented as corporate communication in this study, this domain is a system that is interdependent on other systems (or functions of the organisation) to achieve the goals of the organisation. The sub-domains for this study include stakeholder communication, stakeholder relationships, external communication, and internal communication, communication management science and the performance management domain.

The last domain considers performance measurement. In organisations where there is a performance measurement system, this domain becomes a system with complex communication in its own right. Data has to be obtained and shared to produce information that is useful for basing decisions on. This system interacts with the organisational domain as well as the corporate communication domain. The sub-domains in this domain of this study include organisational measurement, departmental or functional measurement, corporate communication measurement, and individual employee measurement.

1.4.6 The grand theory of the study

To expand the conception of the worldview, Merrigan and Huston (2004:5-10) explain that the process of inquiring knowledge can be attained in three ways:

- **Knowing by Discovery** is where knowledge is discovered by making precise, systematic and repetitive observations of some event or thing. This knowledge concentrates on the ability to generalise information and can be equated to the Scientific Scholarship.
- **Knowing by Interpretation** is a paradigm that suggests, there is more than one reality that can be known, and therefore generalising information may omit the different realities of different people. For this reason, subjectivity is embraced in this paradigm, and emphasis is placed on how people construct their meaning in their environment. Lastly, research in this paradigm is rich in description and can be compared to the Humanistic Scholarship.
- **Knowing by Criticism** is a paradigm that believes in multiple realities, but suggests that these realities are shaped by history and culture. Critical researchers therefore work to reveal the existing social structures and provide insights into areas that might have been overlooked. The researcher has to reveal the existing social hierarchal structures and will often have to focus on historical, political and economical contexts. This can be related to the Social-Scientific Scholarship.

In presenting these paradigms, Merrigan and Huston (2004:6) explain that there are various movements (otherwise known as traditions or grand theories), which can be categorised into these three paradigms, these are listed in Table 1.2.

Table 1.2: The communication knowledge paradigms with their respective movements

Knowledge by Discovery	Knowledge by Interpretation	Knowledge by Criticism
Rationalism	Hermeneutics	Critical theory
Empiricism	Phenomenology	Semiotics
Logical Positivism	Symbolic interaction	Late structuralism
Behaviourism	Constructivism	Post-modernism

Realism	Naturalism	Post-structuralism
Early modernism	Early structuralism	Deconstructivism
	Late modernism	

Adapted from: Merrigan and Huston (2004:6)

The reason for presenting this explanation is to indicate where the grand theory of this study resides. As this study attempts to address the challenge discussed in the worldview, by approaching the process of inquiry with the Social-Scientific Scholarship, Knowledge by Criticism forms the premise of this study. The theories related to these are indicated in Table 1.2; however, it is the critical tradition that forms the underlying foundation of this study. The critical tradition stands in opposition to many of the basic assumptions that are featured in other communication traditions (Littlejohn & Foss, 2005:46). Firstly it seeks to understand the taken-for-granted systems, power structures and beliefs that dominate society (Littlejohn & Foss, 2005:47). In this study's context, the dominating structures are the positivistic performance measurement models, which organisations utilise today. Secondly, critical theorists are interested in uncovering the oppression, by understanding it and taking action against it (Littlejohn & Foss, 2005:4). In this study, the oppression is related to corporate communication and the fact that the intangible contributions of the discipline are not recognised. Lastly, critical social science makes a conscious attempt to fuse theory and action (Littlejohn & Foss, 2005:4). This study attempts to address the oppression, by developing a theoretical proposal, which can be practically implemented to address the issue. For this reason, the literature consulted and the research conducted in industry are fused in a theoretical solution.

As an exponent of the critical tradition, this study applies post-structuralism. Post-structuralism is a philosophy which developed from questioning the premises of structuralism (Stevens, 2003:35). Structuralists believe in formation, and are constantly searching for a structure in which people were told how to function. A performance measurement model is a form of structure that attempts to guide employees in their efforts to perform their jobs. Conner (1990:736) elucidates that post-structuralists moved away from the emphasis

of centred structures to decentred structures. Their goal was to illustrate how basic structures could be broken down, until no final structure could be envisioned (Stevens, 2003:36). Although this study does not attempt to disintegrate the performance measurement models, it does attempt to fracture it until a new structure, that addresses the above-stated oppression, is derived.

Performance measurement is currently a quantitative focus that is utilised for management purposes, with the 'management by numbers' approach (Bitpipe, 2005). Until today, the organisational context has structuralised the area encompassing performance measurement and has employed quantitative approaches / methods. Every possible aspect in the organisation is measured with numbers, in pursuit of simplifying comparisons and creating generalisations. The unfortunate aspect of this structure is that it neglects areas, which cannot be measured quantitatively. For this reason, this study draws on post-structuralism, in an attempt to break down the current quantitative structure, dominating organisational performance measurement. The result of the study suggests guidelines to encompassing qualitative aspects in measuring corporate communication.

Apart from the critical tradition, another tradition referred to as the cybernetic tradition (Littlejohn & Foss, 2005:34), also forms a foundation for this study. This tradition is also found within the Organisational Theory and known as the Systems Theory. In this theory, a system is a set of interrelated and interdependent parts, arranged in a manner that produces a unified whole (Robbins, 1987:10). Littlejohn and Foss (2005:40) describes a system is an interacting component that, together with another system, achieves synergy. These systems take inputs, transform it, and produce outputs (Robbins, 1987:10). Systems are classified as closed or open systems, which either interact with their surroundings or are in a position of doing so (Robbins, 1987:11). The characteristic is the interrelationship of parts that have two diverse forces: differentiation and integration. Robbins (1987:11-16) expands that the characteristics are:

- There is an awareness of the environment and the boundary that separates the systems;
- Feedback is considered essential, especially for responding to problems;
- Input, transformation and output processes are cyclical in nature;
- There is consistent new energy flowing into the system, to avoid entropy (the propensity of a system to run down or disintegrate);
- The flow of new energy is steady;
- The steady state ensures that there is a movement towards growth and expansion;
- Open systems need to balance maintenance activities (to ensure the various subsystems are in balance), as well as the adaptive activities (ensuring system adjustment over time); and,
- Equifinality, a concept which explains that open systems may follow various paths, or use a combination of different inputs to get to the same final state.

As briefly mentioned above, the organisation can be considered to be a system, but it also consists of many sub-systems that have to work together to achieve synergy. There are extreme complexities surrounding the communication of these systems, especially when considering the Organisation Theory's characteristics of an open system. It becomes clear that to keep boundaries permeable and to be adaptive, constant communication is essential. The communication should also retrieve information, pertaining to the performance of the systems, and the means by which to correct the performance or to adapt. The performance measurement system, therefore, has to remain permeable in the ability to input information in all forms (quantitative and qualitative), and to transform it into workable material that all the other systems can use to transform their outputs.

1.4.7 Theories from the respective domains incorporated in the study

Initiating with the organisational domain, Organisation Theory is embraced throughout this study. Additionally, the Life-cycle Perspective provides a motivation for, and reason why, organisations need to be able to communicate, measure their communication by means of a performance

measurement system, and make adjustments accordingly. The Life-cycle Perspective indicates that there is a predictable pattern of change that organisations follow throughout their life as a system (Robbins, 1987:16). Marketing has extensively used this concept for the predictions of a product in the Product Life-cycle. The Life-cycle concept initiates with the *entrepreneurial stage*, and then organisations move to a *collective stage*, where the innovation (a typical characteristic of a young organisation) continues but the mission, communication and structure becomes clarified. The *formalisation-and-control stage* is where the structure of the organisation stabilises and rules as well as procedures are imposed. The organisation then moves on to diversify its products or services and begins to look for more opportunities; this is the *elaboration-of-structure stage*. Finally the *decline stage* begins as a result of competition, which shrinks the market and creates a smaller demand for the products and services. At this stage employee turnover is large and new leaderships normally centralises decision-making. Not all organisations proceed through all five stages, and these stages do not necessarily correlate with the chronological age of the organisation. In addition, the five stage model can be reconciled with the four stage model of formation, growth, maturity and decline. The importance of this theory, in this study, is that organisations attempt to increase their life-cycle to such a degree, that it avoids reaching the decline stage. In order to do so, the organisation must remain creative in its approach to 'life lines', such as the ability to manage employees, the ability to read and produce for the market needs, and the ability to remain attractive to the market. All these 'life lines' require communication and performance measurement, therefore, an organisation that is in the position to master these to concepts, will lengthen its life-cycle (Robbins, 1987:16).

In Communication Theory, additional theories, which are utilised throughout this study, include the Theories of experience and interpretation (specifically the phenomenological and ethnography concepts, incorporated in the methodology of the study). As mentioned earlier, post-structuralism, as an exponent of the critical tradition, is one of the underlying theories of this study. Discussed in Chapter 2 and 3, the following theories provide insight into the

understanding of corporate communication and the measurement thereof: Hierarchy of Effects Model, Theory of Cognitive Dissonance, Hedging and Wedging Theory, Situational Theory, Social Exchange Theory, Resource Dependency Theory, and the Customer Relationship Theory (Littlejohn & Foss, 2005:34-54; Macnamara, 2002:9-11).

In the performance measurement domain, the critical tradition and the systems approach are also the underlying theories, as explained in the grand theory section of this chapter. Furthermore, the Goal attainment Approach, Strategic-Constituencies Approach and Competing-Values Approach are discussed in Chapter 4 of this study that theorises the means by which the measurement of an organisation may take place.

1.4.8 The concepts of the study

Three concepts feature predominantly throughout the chapters of this study, as described below:

- **General business management:**

General business management, otherwise referred to in this study, as the organisational context, provides the foundation for structuring and managing an organisation. It is derived from the Organisational theory, which is the discipline that studies the structure and design of organisations (Robbins, 1987:6). An organisation can be defined as a consciously co-ordinated (managed) social entity (composed of people or groups of people, who interact with each other), with a reasonably identifiable boundary (which may change over time), that functions on a relatively continuous basis, to achieve a common goal or set of goals (Robbins, 1987:7). The organisational structure stipulates how tasks are to be allocated, who reports to whom, and the formal co-ordinating mechanisms and interaction patterns that are permitted (Robbins, 1987:7). The organisational design is concerned with constructing and changing an organisation's structure to achieve the organisation's goals. This concept focuses on the organisational vision and mission clarity, corporate values, departments / functions, measuring tools, leadership style, the quality of management, sustainability of strategy, core competencies, corporate management process alignment,

deliver on promise, innovativeness of the organisation in terms of intellectual property, corporate benchmarking, globalisation, business ethics, and trustworthiness (Le Roux, 2003:7). Profit and not-for-profit organisations do exist; however, due to the context of this study, a focus is placed on organisations, which exist to make profit. An organisation is sectioned into functions whose role it is to help the organisation achieve the above-mentioned constructs, through the completion of specialised tasks. Corporate communication is one such function.

- **Corporate communication:**

Corporate communication is managed communication on behalf of an organisation by creating and maintaining relationships with stakeholders (Steyn & Puth, 2000:3). There are various views describing the origins of corporate communication, including that it has evolved from the PR, journalism and corporate marketing (Le Roux, 2003:7). In this study, corporate communication encompasses relationship development and maintenance, methods of communication, reputation management, stakeholder perception and mutual trust.

- **Performance measurement:**

In this study, performance measurement is defined as the process of developing measurable indicators that can be systematically tracked to assess progress made in achieving predetermined goals, and using such indicators to assess progress in achieving these goals. This concept includes organisational performance measurement, communication performance measurement, quantitative techniques, qualitative techniques and KPIs (which specific attention is awarded to).

1.5 DELIMITATION OF THE STUDY

This study explores corporate communication as a strategic, managerial and operational function within an organisational domain. The measurement of communication thus relates to communication performance, surrounding an organisation on an organisational, departmental and individual level. This study approaches the measurement of communication from an internal

perspective, thus the results and findings will make recommendations for business managers or leaders and internal communication practitioners.

Furthermore, the focus of the study has remained in the IT industry within the borders of South Africa. Although the research gathered for this study broadened this scope slightly, the IT industry is considered to be the area where the results of the study will be the most advantageous.

While the study has ventured into the Organisation Theory and the field of performance measurement, it has not explored in depth Human Resources (HR) aspects, such as performance appraisal and 360Degree appraisal methods. The reasoning behind this is due to the length and depth of the study's focus, in the area of understanding the role and purpose of corporate communication as well as performance measurement.

1.6 DEMARCATION OF THE STUDY

This study's core focus is to examine the development of a performance measurement tool for corporate communication, within the IT industry, which will capture the intangible value, contributed by the communication in general, and be represented in the form of KPIs. There are various parameters that define a successful measurement tool for an organisation, its corporate communication department and its communication in general.

Chapter 2 discusses the constructs of corporate communication. From a theoretical perspective, Chapter 2 attempts to understand what the purpose of corporate communication is, within an organisation. The definition, goals, roles, functions and place or levels of corporate communication in the organisation is investigated. Additionally, attention is awarded to challenges that this young discipline faces.

Chapter 3 explores the means of measuring or evaluating corporate communication. Attention is awarded to understanding the output and outcome measures of communication. Furthermore, a number of research techniques are briefly discussed. Interest is then drawn to the best practice models of communication evaluation, and these are discussed in detail.

Successively, strategic evaluation measurement systems are then examined in depth, to determine the theoretical recommendations of evaluating strategic corporate communication.

Chapter 4 focuses on performance measurement. The terms performance measurement and evaluation are distinguished, and performance measurement is examined in terms of its changing role in the organisational context, line and staff functions, culture as well as intangible asset. The following section of Chapter 4 is awarded to studying four different organisational performance measurement models, including the Balanced Scorecard. The final section determines what KPIs are, how they are constructed and then provides realistic examples of KPIs employed in organisations.

Chapter 5 outlines the research methodology utilised in this study. Initiating with the research strategy, the research design, sampling design, data collection method, data analysis method as well as the validity and reliability of the research is provided.

Chapter 6 reports on the data collected after categorising the themes as they emerged from the data.

Chapter 7 brings this study to a close, by discussing as well as comparing the findings from literature and research according to each theme. Recommendations are then presented based on the findings of the analysis. In conclusion, the study provides implications to communication and business managers, highlights the limitations of the study, and makes suggestions for future research.