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**Abstract**

Organisations have changed the way they relate to their stakeholders as a requirement of what has been labelled as the ‘new communication era’. Sources of competitive advantage are not anymore the traditional ones, and stakeholder management through effective communication becomes a moderating factor in the pursuit of better financial performance (Berman et. al., 1999). The ineffectiveness of attempts to communicate different messages to different stakeholders is a new important feature of the reality brought by the new communication technologies. Organisations have to adopt integrated approach to their communications if they are to survive in this environment. Van Riel (1995, 2000) introduces the orchestration of communication through a sustainable corporate story as a tool to achieve the organisations objectives. The present work presents a literature review related to orchestration of communication involving and integrating different sets of theories, and proposes a deeper analysis on the applicability of Van Riel’s model to coordinate and orchestrate communications during a revolutionary organisational change, namely a merger. The particularly original feature here is the link between organisational change and an innovative model to approach communications. We conclude that the sustainable corporate story tool can be successful applied to different merger situations, increasing the company’s chances to succeed during these troubled periods. Further empirical research is recommended in order to understand how the model can be indeed implemented in practice and how successful were its former implementations if any.

1. Communication and Financial Performance

Organisations have changed the way they relate to their stakeholders as a requirement of what has been labelled as the ‘new communication era’. Sources of competitive advantage are not anymore the traditional ones, and stakeholder management through effective communication becomes a moderating factor in the pursuit of better financial performance.

1.1 Stakeholder Approach and Competitive Advantage

In a contrast to the traditionalist theories of the firm (Friedman, 1972), the stakeholder theory (Freeman, 1984) introduced the idea that every group with a legitimate interest in the organization, called stakeholders, has to be taken into consideration in the decision-making process, which means that consumers, investors, employees, suppliers, the community and anybody with a relationship with the organization, affecting or being affected by it, should be considered. Donald & Preston (1995, 69-70) identify three types of stakeholder theory: descriptive, instrumental and normative. The descriptive theory focuses on finding empirical evidences of how organizations behave in order to describe their behaviour as stakeholder oriented, because that’s how they act. The instrumental stakeholder theory focus on finding links between stakeholder theory and organizational objectives, for example, better financial performance. The third type, called normative stakeholder theory, states that companies take into consideration or ought to take into consideration its various stakeholders because that is the right thing to do (intrinsic value).

Porter (1985) argues that long-term superior financial performance can only be achieved by
sustainable competitive advantage, and differentiation is an important element to having a competitive advantage (Porter, 1985, p.14). In what Stewart (1993, p.66) calls the "new information age economy", tangible resources are no more a source of sustainable competitive advantage, "the "fundamental sources of wealth are knowledge and communication rather than natural resources and labor" (Stewart, 1993, p.66). Both internal and external communications are capable to generate sustainable competitive advantage.

According to Tucker, Meyer & Westerman (1996, p.56), internal strategic capabilities have the potential to create competitive advantage. Grant (1991, p.122) defined these internal capabilities as "complex patterns of coordination and cooperation between people, and between people and (tangible) resources". Tucker, Meyer and Westerman (1996, p.57) observe that this definition (and also the definition of Amit & Shoemaker, 1991, p. 4-5) gives special emphasis to complex interactions, exchange of information, and coordination between people (all functions of knowledge-base and organizational communication) as crucial to the development of internal strategic capabilities. It is then reasonable and logical to affirm that effective communication management based on the stakeholder approach can improve the efficiency of these patterns of coordination and cooperation between people and between people and (tangible) resources, being therefore capable of providing an advantage to an organisation, driving it to superior financial performance. As Tucker, Meyer & Westerman (1996, p.51) affirm, "an organization’s capability for creating and communicating knowledge is seen as a resource which can create global strategic competitive advantage".

From the point of view of external relations, an organisation depends on its access to various external resources as well as it depends on the coordination between people and resources. The access to external resources, which is crucial to the creation of superior value, is extremely dependant on negotiation processes with various groups of stakeholders. According to Van Riel (2000) it is impossible to successfully implement negotiation mechanisms if a company does not apply professional communication using specialists in advertising, public relations, and above all general managers. Furthermore, a company can also create a competitive advantage through the accumulation of goodwill with external stakeholders, which is called corporate reputation. Superior reputation is firm-specific, hard to copy and drive to superior financial performance, so it can also be considered a source of competitive advantage.

1.2. Effective communication, stakeholder management and financial performance – moderation model

Successful stakeholder management depends on effective communication, since the relationship between an organization and its internal and external stakeholders is constructed and developed through communication strategies and practices. Berman et. al. (1999, p.499) shows empirical evidence in support to what they call the moderation model of stakeholder management, a model that provides instrumental justification for Stakeholder theory. According to the moderation model, good stakeholder management allows the firm to implement its strategy and achieve better financial performance, while poor stakeholder management doesn’t. Their study is based on a research among top 100 firms on the 1996 fortune 500 list and, though no evidence was found to support the argument that there is a direct impact of stakeholder management in the financial performance of firms, the results confirm that stakeholder relationships are a moderating factor in the relation between strategy and financial performance.
The moderation model predicts that "the firm’s relationship with its stakeholders is taken into its strategic calculus and the types of relationships that produce the best prospective outcomes for the firm are pursued" (Berman et. al., 1999, p.493). In order to understand the expectations of the stakeholders and implement successful strategies, it is evident that some kind of clear interaction between the dominant group and the other stakeholders has to take place, as for example the interaction proposed by the two-way communications model described by Grunig & Grunig (1992) or, even in cases where one-way communication is appropriate and necessary - communications between managers and employees is predominantly one-way (Jackson & Welch, 2007, p.187) - it can be symmetrical "if its content meets the employees’ need to know rather than the management’s need to tell" (Grunig et al., 2002, p.487). Therefore, effective communication that takes into consideration the expectations of stakeholders serve as a moderation element in the pursuit of superior financial performance.

2. Orchestration of Communication

The ineffectiveness of attempts to communicate different messages to different stakeholders is an important feature of the reality brought by the new communication technologies. If a company attempts to do so, soon or later any group of stakeholders will end up having access to the information a company is communicating to other stakeholders, and the result can be disastrous to a company’s image, as Van Riel (1995, p.05) illustrates with the extreme example of the tobacco company BAT, that advertised in the same day in the same newspaper an optimistic message about financial statements and the redundancy of 123 employees in Amsterdam. It looks like a basic mistake made by this firm, but even when these kinds of mistake are not made, if the organization is continuously sending paradoxical messages directed to different stakeholders, it will certainly be caught. Nowadays the level of information accessibility makes unavoidable that, for instance, customers communicate with other customers (i.e: customers blogs) that will communicate with employees that will be aware of the messages sent by and to the financial markets and so on. The solution to this challenge appears to be for the company to send coherent messages through an integrated communication policy in order to build a solid identity and reduce the gap between identity and image. This is a challenge for communication professionals in helping organizations to achieve their goals.

In the new communications era, not only stakeholders require coherent information but they
also require more information. Thus, the necessity of growth in corporate disclosure is also a challenge for organizations these days. Van Riel (2000, p. 158-159) states this phenomena can be explained by three practical aspects and some theoretical notions (resource-based theory of competitive advantage, for example). The practical aspects enumerated by the author are legal constraints, increased media attention on developments in the business world and pressures on headquarters to disclose strategy by business unit management. Van Riel (2000) also emphasises the reference of Freeman (1984, p.78), who argues that "organizations with high stakeholder management capability actually involve multiple stakeholders to help design and implement communication processes". According to Freeman (1984, p.79-80), "high stakeholder capabilities also imply the integration of boundaries into the strategy formulation process, combined with a proactive approach and an allocation of resources in a manner consistent with stakeholder concerns".

Organisations have made large efforts to catch up with the new necessities of broad and effective communications and, as a consequence, many different departments became involved in the process of communication (i.e. financial – investor relations, HR – labour market). However, these attempts to communicate more don’t mean communicating better. According to Van Riel (1995, p.03 e 05), due to the fact that the various communication specialists are inclined to consider their own departmental interests rather than the strategic interest of the whole organization, "the large variety of internal communications ‘sources’ can lead to fragmented, sometimes even contradictory, external manifestations of the company as a whole". Another reason for fragmentation in communication is the fact that different people understand the world differently. According to Jackson & Dackert (2006, p.91), "it is an accepted commonplace that we deal with the world (and especially the social world of organisations) not as an objective reality but on the basis of an internal representation of it". This internal representation is partially individually constructed, and partially shared with group members. Weick (1995) described the process of sense making in organizations as constituted of two steps: scanning and interpreting. Scanning refers to the process of gathering information from the external and internal environment which might influence future performance, it is made based on samples and this process is influenced by the background experience of the individual, who select to choose some information in detriment of others. The second element of sense making is interpreting, the process of ascribing meaning by developing or applying ways of comprehending the meaning of information.

By understanding the process of sense making one can easily conclude that people within and without organisations tend to make sense of what happens (including strategy) in various different ways (even when the messages sent are not essentially different). As a consequence, when these people are internal stakeholders and there is no mechanism to put their understanding together and guide their idea about the organization, they will end up sending incompatible messages to external stakeholders. Strategy, therefore, cannot be implemented appropriately if there is not even a common understanding about what the organisational objectives and values are. Therefore, superior financial performance will never be achieved in such an organisation.
Van Riel (1995, p.05) states that every organization uses three basic forms of communication: management communication, marketing communication and organizational communication. Management communication refers to the communication by senior managers with internal and external target groups, it is considered by the author most important form of communication. Marketing communication consists primarily of those forms of communication that support sales of particular goods or services (advertisement, sponsorship, personal selling, marketing-oriented PR), it is the one which has the highest budget. Organizational communication covers public relations, public affairs, investor relations, labour market communication, corporate advertising, environmental communication and internal communication. The challenge here consists in the integration of these forms of communication in order to support the achievement of the organisational objectives. "The corporate communication philosophy does (…) imply that the ‘Chinese Walls’ between (and sometimes even ‘within’) the three aforementioned forms of communication should be removed" (Van Riel, 1995, p. 21). The organisation, as an orchestra, has to develop the capability of using different instruments played by different people to harmonically play the same music.

3. Change in Organisations

As if it was not hard enough to have coordinated communication during ‘normal’ periods of the organisational life, ‘playing the same music’ during periods of revolutionary change becomes an even harder task. This section will explore the theories of change and analyze some specific aspects of a merger as a change process.

3.1 Theories of change

One of the great ‘gurus’ of organisational strategy, Peter Drucker, was responsible to introduce the now broadly accepted notion that any organization should be prepared for constant change (see Drucker, 1993). There are different reasons why organizations pursue stability and change. According to Leana & Barry (2000, p.758), "both stability and change are simultaneously present in organizations, and both are a necessary part of organizations’ effective functioning over the long term". The forces that drive and organisation to pursue change, according to the authors, are adaptability, cost containment, impatient capital markets, control and competitive advantage. On the other hand, factors such as institutionalism, sustained advantage, transactions costs, organizational social capital, predictability and uncertainty reduction promote inertia within and organization. In other words, "organizations pursue change to enhance their competitive positions and their adaptability in volatile markets. At the same time, they seek the uncertainty reduction and inimitable resources that stability can provide". (Leana & Barry, 2000, p.758) In relation to the individual perception of change, Leana & Barry (2000, p.758) argue that "the tension between preference for stability and change at the level of the organizational member is embedded within a large number of social and occupational constructs that govern one’s
experience at work". According to the authors, "individuals seek predictable relationships and stability in behaviour while simultaneously looking for variety and stimulation in organizational life".

Golembiewski et al. (1976, 133-157) classified changes in three types: Alpha, Beta and Gamma change. Alpha change consists in "a variation in the level of some existential state, given a constantly calibrated measuring instrument related to a constant conceptual domain, while Beta Change is a variation in some existential state, complicated by the fact that some intervals of the measurement continuum associated with a constant conceptual domain have been recalibrated, and Gamma Change refers to a redefinition of some domain, a major change in the perspective or frame of reference within which phenomena are perceived and classified, in what is taken to be relevant in some slice of reality (see Yeow & Jackson, 2006). Alpha and Beta changes can be considered incremental changes, whereas Gamma change is an example of revolutionary change.

Non-revolutionary theorists argue that the incremental changes generate the fundamental changes in organisations. According to Tushman & Romanelli (1985, p. 171), "non-revolutionary views suggest that fundamental organizational transformations can be observed by comparing organizational activity patterns over distant points in time, though no specific transforming event may be identifiable". Non-revolutionary justifications for this phenomenon is that business units are independent between themselves and have to adapt to changes in their local internal and external environments; therefore, as the time passes and the changes continue happening, the overall relation is transformed and the whole organisation is changed (see Miller and Friesen, 1980). However, revolutionary theorists propose a different model of (fundamental) change based on Kurt Lewin’s characterization of a change process.

Kurt Lewin proposed three steps that characterize the change process: unfreezing the current state of a system, transition to a new state and re-freezing that state. The punctuated equilibrium model proposed by several scholars (Gersick, 1991; Miller & Friesen, 1980a, 1984; Tushman & Romanelli, 1985) can be considered a refined version of Lewin’s proposal. Tushman & Romanelli (1985, p. 171) state that "punctuated equilibrium theory depicts organizations as evolving through relatively long periods of stability (equilibrium periods) in their basic patterns of activity that are punctuated by relatively short bursts of fundamental change (revolutionary periods)”. There are three key components of the punctuated equilibrium model: deep structure, equilibrium periods and revolutionary periods (Gersick, 1991). The first of these, deep structure, refers to the paradigms that are the basis for organising actions within the system. The second element of the model is equilibrium, which describes periods of ‘normal’ working within organisations where changes occur within the framework of existing deep structure, changes are incremental rather than revolutionary. The third element of the model describes periods of revolutionary change, which involve "fundamental alterations to an organisation’s structure and systems, through changes in deep structure" (Yeow & Jackson, 2006, p. 171-172). The argument presented by Tushman and Romanelli (1985) to explain why revolutionary changes occur is based in the assumption that as the organisation changes, the environment also changes and eventually the organisation is converging to a form that does not fit its environment. Therefore, the organisation has to pass through a period of revolutionary change in order to find more convergence to the new environment.

3.2 Merger as a change process
With the intensification of the capital intensive economy and globalization, mergers became common phenomena all over the world. Organisations that are underperforming are taken over by better performing competitors; smaller companies (even when performing well) are taken over by bigger companies; organisations join forces through a merger in order to compete more effectively and so on. However, despite all the enthusiasm behind these processes, at least half of all mergers fail to achieve the expected economic outcomes. "According to Bain, the global consultancy, 70 per cent of big deals fail to create meaningful value, one to two years after announcement. Some 60 per cent of deals create companies that under-perform their peers and a full 50 per cent actually destroy shareholder value" (The Financial Times, February 11, 2005, p. 25). The cause of these failures to achieve the expected results after mergers can be attributed (to a significant extent) to fails in communicating successfully in order to create a new organisation. When this doesn’t occur, two organisations remain existent within one, cooperation is broken and the company ends up having nor any of the previous cultures neither a new successful culture. Mergers are delicate processes, since they can be considered periods of revolutionary change (gamma change), and as a revolutionary change it "involves a process within which a system’s deep structure comes apart, leaving it in disarray, until a new deep structure forms. Such change is deeply disturbing to organisational members, since the customary structures for guiding actions and decision-making no longer apply" (Yeow & Jackson, 2006, p. 171). It’s a moment of high uncertainty, and there are several reasons why many organisational members don’t feel part of the organisation during and after a merger.

Jackson & Dackert (2006) identify issues related to identity and identification that can cause problems for organisations in a merger process. "Pre-existing differences in identity, dominance of one partner in the change process, threats to identity where one group sees a loss of valued aspects of identity" (Jackson & Dackert, 2006, p. 81) are all perceived as threats during the change process. Social boundaries are also a barrier that organisations have to deal with during a merger. "When organisations merge, the old boundaries can remain in place for many years, and they can provide potential barriers to achieving the benefits which were hoped for" (Jackson & Dackert, 2006, p. 83). Group categorization (us and them) is another identity issue during a merger, and has two characteristics that can be potential causes of problems in a merger process. The first is simplifications which emphasize differences rather than similarities between groups; second, the categorisation process leads to a form of depersonalisation. "The identity issues therefore involve first the continued existence of old identities either in the institutions of the merged organisation or in the minds of employees, and second the construction of a new identity for the merged organisation. It is not uncommon for old identities to linger for many years" (Jackson & Dackert, 2006, p. 87).

While analyzing whether a merger is seen by employees as threatening, the status of the groups involved and the options available for change have to be taken into consideration (Terry, Carey, and Callan, 2001). For example, groups see merger favourably when they are members of lower status group, where difference is legitimate and boundaries are permeable, and they see the chance to move to the higher status group. However, groups see merger unfavourably if they are members of lower status group, where difference is not legitimate and boundaries are not permeable, since they cannot move to higher status group. Members of higher status group can also see the merger unfavourably when they perceive difference as legitimate and boundaries are permeable, as lower status members can move and threat their prior high status.

As observed, there are several issues regarding internal communications that are crucial
during the change process. In relation to external communications, there are also some challenges to be faced during a change process like a merger. The financial markets are anxious to see how the former competitors will work when put together and customers are willing to confirm if their identification with the values of one of the former companies will continue after the merger. In the end, the crucial factor seems to be the establishment of the strategy and the achievement of cooperation among internal stakeholders (new identity), so they can serve as the channel through which managers constantly reach and positively influence external stakeholders (see Freeman, 1984). This is a long and complicated process where the orchestration of communication plays a decisive role, since during a merger an organisation is more likely to send different and incoherent messages to different stakeholders, resulting in damage to the company’s productivity and to its reputation. The new message has first to be clear in the mind of the organisation members (internal stakeholders), so it can be effectively communicated to all other stakeholders through the different types of communication existent within an organisation (manager communications, marketing communications and organisational communications).

4. Orchestrating Communication during a Merger

4.1 Van Riel’s Model: Common Starting Points and a Sustainable Corporate Story

A possible solution to the challenge of communicating effectively during a merger can be based in Van Riel’s technique of orchestrating communications through common starting points and a sustainable corporate story. According to Alberg (apud van Riel, 1995, p. 17), communication has four functions: ‘supporting internal and external core operations’ (to regulate); ‘organisation and product oriented profiling’ (to persuade); ‘informing internal and external audiences’ (to inform), and ‘socialising individuals into a good organisational citizen (to integrate). In order to make a positive contribution towards achieving the aims of the organization, these four functions have to be coordinated.

Van Riel (1995, p. 19) affirms that "all forms of communication are taken into consideration for potential orchestration into a coherent whole." His theory predicts that the direction of communications shall be within the ‘corporate strategy-corporate identity-corporate image’ triangle, and everything in corporate communications has to be managed from “common starting points – CSPs”, which are based on the agreed corporate communication strategy, and aim to promote identity and image. (Van Riel, 1995, p. 20) These Common Starting Points vary from company to company, and can be more or less detailed. The author defines CSPs as "individual areas established by all relevant internal parties concerned in the company’s communications and not by a kind of ‘head office’". "CSPs could be considered as central values which function as the basis for understanding any kinds of communication envisaged by an organization. Establishing CSPs is particularly useful in creating clear priorities" (Van Riel, 1995, p. 20).

The steps when working on a company’s CSPs are the following (based on Van Riel, 1995, p. 20):

1. Deriving a general CSP from the company’s overall strategy (assuming that the strategy has already been clearly defined);

2. Formulating CSPs for the several business units (stakeholders and what they want to achieve/change);
3. Making the CSPs more specific (according to different kinds of stakeholders, as well as the goal in terms of information, feelings and action the stakeholders should have/take);

Regardless the power and originality of this method, two major drawbacks are identified by Van Riel (2000, p. 163) in his own model:

1. Companies will apply only separate words that can be imitated quite easily by competitors;

2. A collection of words does not guarantee a similar, coherent interpretation of the strategic intent of the company by all communication specialists;

A solution appointed to this problem is "to connect the words in a story in such a way that the content is perceived by internal and external audiences as a reflection of their own input" (Van Riel, 2000, p. 163). Barry and Elmes (1997) argue that effective corporate stories are based on two outcomes: credibility and novelty. Van Riel (2000, p. 164) adds that both aspects are important, but dialectic in character, since "credibility impacts on novelty negatively, and the other way around", so there must be a balance between these two elements. A sustainable corporate story "should enable an organization to find an inspiring frame of reference for orchestrating the future communication of the company as a whole", and it "should be based on the aggregation of a set of words evoked by qualitative and quantitative research among internal and external audiences" (Van Riel, 2000, p. 164). The author affirms that such stories can stimulate the realization of internal purpose (setting implicitly the rules regarding desired behaviour of organizational members) and it can provide guidelines for external aspirations (enabling a company to obtain all the resources a company depends upon).

![Diagram](image.png)

**Figure 3 - Creating a Sustainable Corporate Story, based on van Riel (1995, 2000)**

4.2 Integration of cultures through a new corporate story

Gioia & Chittipeddi (1991) describe the job of senior managers (especially CEOs) during a change period as being to make sense of change and then give that sense made to the rest of the organization (“sense making” and “sense giving”). This description implies a one-way method of communication, as "it would be unrealistic to suggest that internal corporate communication can be conducted principally as face-to-face dialogue" particularly “in circumstances where message consistency is important and in this case, mediated means of communication are a necessary strategic choice” (Jackson & Welch, 2007, p.187). It appears
to be the case in the orchestration of communication of a merger. However, even being sometimes a one-way process, communication can be symmetrical if "its content meets the employees’ need to know rather than the management’s need to tell" (Grunig et al., 2002, p.487). In fact, communication during a merger has to be partially one-way in order to break boundaries (we have seen the motivations of individuals and organisations to avoid change), although the creation of the new identity requires high participation of all stakeholders involved. Putting it into a broader perspective, the whole process can be viewed as a mutual influence between communication and corporate culture, since communication represents and creates a corporate culture.

And who in the organisation should be responsible to coordinate this process? The obvious answer to this question seems to be ‘senior management’, although Van Riel (1995, p. 09) alerts us to the fact that "Communication appears to be too vital for organizational success to leave it solely to managers. Experts both in marketing and in organizational communications are necessary to support managers in improving the effectiveness of their communication responsibilities, by supplying developed programmes which increase the involvement of employees and elicit the support of external stakeholders". The communications professional – even during a drastic change period like a merger - has to create a process where inputs from different stakeholders are taken into consideration in the formulation of the new strategy and corporate identity.

Referring back to Van Riel’s (2000) model, the author states that the first step in creating a sustainable corporate story is positioning the organization offer to the market, and positioning after a merger is closely linked to what type of acculturation process is more recommendable in each situation. Considering acculturation is the process which forms a jointly determined culture, Nahavandi and Malekzadeh (1988) define four types of acculturation modes during a merger: Integration (assimilation of structures with neither side dominating the other); assimilation (one organisation willingly adopts the culture and systems of the other); separation (the two organisations maintain their own culture and systems, and continue to function independently) and deculturation (partners value neither their own culture, practices and systems nor the other’s, breakdown of the cooperation). Deculturation happens when communication efforts go wrong, so it is not a strategic choice for any organisation but rather the tragic outcome of a strategic failure. On the other hand, the three remaining types of acculturation (integration, assimilation and separation) are in principle different strategies that can be rationally adopted by merging (or merged) organisations.

Some organisations choose to maintain separated cultures, like the Indian car manufacturer Tata Motors announced they would do after the recent takeover of the former Ford luxury brands Jaguar and LandRover. The values of these companies are antagonistic and have different appeals to different consumers. While Tata is famous for producing cheap and popular cars, Jaguar and LandRover appeal to luxury customers. In this case, it was plausible to maintain the former cultures of the companies, and the communications professionals’ role will be to maintains and reinforce the very different corporate stories of each company and to send this message to all stakeholders. The same situation of total separation could be observed to the acquisition of Anita Rodick’s The Body Shop by L’Oreal, or by the acquisition of the natural food retailer Prêt à Manger by McDonald’s. Assimilation is more likely to occur in acquisitions, when a bigger and successful competitor acquires a small company or a company that is not going well. This can be observed in the Santander’s strategies after acquiring Banespa in Brazil. Santander has used a strategy of creating transitional structures and respecting the past by keeping the old brand and not abruptly changing the habits of the
acquired organisation, while slowly introducing its own culture and ‘selling’ its corporate story to new internal and external stakeholders. In the end of this process, the former culture of Santander (the bigger partner) will be the only one remaining. For the Santander group, the "merger" had much more to do with acquiring tangible assets (particularly the client portfolio) in an emerging economy than with joining organizational capabilities with the acquired company. A similar example of assimilation in the banking industry was the acquisition of Bamerindus by HSBC.

Despite the strategic alternatives showed above, most of the mergers are based in the assumption that two organisations can play better together in the marketplace than if they were separated. "Mergers almost always involve the dissolution of prior organisations in favour of the creation of a new entity with an associated new identity" (Jackson & Dackert, 2006, p.80). This implies creation of synergies and getting the best of what each of the former companies had. Integration is, therefore, the only acculturation type suitable in this case. A current example of a merger where integration will have to be applied was the recent deal involving Unibanco and Itau, two of the largest banks in Brazil. Although Itau is the bigger partner, the deal was not a clear purchase of Unibanco by Itau (it is relevant to notice that the Chairman will be from former Unibanco, while the CEO comes from former ITAU, furthermore, it was stressed throughout the process that sharing power was determinant for Unibanco´s major shareholders to accept the offer).

In the Itau-Unibanco case, for instance, the companies will not only share the benefits of integrating cultures, but also face the challenges of this process. Using former competing cultures to build one new identity is even harder than assimilation or separation strategies, as it involves the creation of something new, not only the adoption of an existing culture by the acquired company or the separation that in practice doesn’t mean a revolutionary change. For the integration strategy, Van Riel’s (1995, 2002) proposal of integrating communication through a sustainable corporate story appears to be a viable way to achieve success. According to the author, after the determination of the new integrated strategy by management, the next steps in creating a corporate story are: the definition of actual and desired corporate identity; a reputation analysis; the creation of the story and its validation with stakeholders, implementation and monitoring.

To define the new identity and the identity desired, it is important to understand how members of the new organisation made sense of the change. Taylor (1999, p.527) enumerates several studies (Gabriel, 1991a; Schwartz 1985; Bowles, 1989; Boyce, 1995; Boje et al., 1982; Brown, 1994) that suggest that there is a "strong enough link between stories and how members make sense of organizational life to justify the assumption that the stories the members of an organization tell reflect how they make sense of the events". Taylor’s study assumes "the premise that the stories people tell about organizational change reflect their sense making of the change. That is to say, asking people to tell the story of the organizational change will elicit their perceptions of what has changed" (Taylor, 1999, p. 527). The communications professional, as the maestro of the orchestra, has to make the new corporate story reflect the perceptions stakeholders have shown in their story-telling, at the same time that the new corporate story has to positively influence their opinions about the change. Jackson & Dackert (2006, p.98) (based on Vaara 2002, 2003; Vaara & Tienari, 2002) argue for the role of success and failure stories constructed by organizational members as powerful determinants of the extent of integration following a merger. Therefore, the merger has to be seen as successful by internal stakeholders, who have to identify themselves with the corporate story and the new identity of the organisation.
Analyzing how external stakeholders perceive the merger is also necessary during the creation of the new corporate story. The story has to be perceived by these groups as relevant, realistic, sustainable and responsive (Van Riel, 2000, 157-158). The author alerts that it requires at least as much effort from organizational members to create a story as it does for external stakeholders to develop and appreciate for it. After the story has been created, based on the corporate strategy and reflecting opinions of internal and external sources, it can be implemented as a first illustration of the new corporate culture of the organisation. This story has then to be constantly monitored by the communications specialists, so it can be in continuous change to reflect the incremental changes in the organisation and the environment.

It is also relevant to notice that communication specialists are not a panacea for organizational communication. By pointing a person/department responsible for corporate communication, the organization tends to believe that communication becomes his/their responsibility when in fact a problem that is organizationally pervasive should be a concern of the whole organization. Like in the orchestra, the success depends on all parts. Organisation members have to be involved in creating a new culture, adopting it and communicating it. "A sustainable corporate story is not a guarantee for success, but a tool to increase mutual understanding between an organization and its stakeholders" (Van Riel, 2000, p. 168).

5. Conclusions – The Orchestra Metaphor

The metaphor of an orchestra is a very good way to illustrate the role of the communications professional during a change process. In this essay, the kind of change analyzed was a merger, which can be considered a revolutionary change, with a deep impact in all members of the organisation. Considering the metaphor proposed, the musicians represent the internal stakeholders of the organisation. The composer represents the dominant group, who ‘write’ the strategy to be followed. The conductor is the communications professional, who has the mission of keeping all musicians playing their roles during the show harmonically. The audience represents the external stakeholders. Everything is going all right, but the directors of one successful orchestra decide to ‘buy’ another orchestra with different musicians, instruments and talents, in order to put the new ‘merged’ orchestra in a superior position. All the musicians now will have to play a new music, in a different order, maybe under new command and for sure having to accept the influence of the sound of different instruments in the new show. The audience is anxious to know the results of this merger, and they usually expect the show to be even better than previous shows, since new capabilities were supposed to be acquired with the merger.

However, changing is never an easy task for human beings, especially revolutionary changes. Some of the musicians of the former successful orchestra will feel threatened by the new musicians; some will feel they are not good enough to be part of the big show. The musicians of the ‘acquired’ orchestra will be threatened because they are not sure if they will have space to show their value while playing the new music under new command. The audience doesn’t care about these internal issues, they are just expecting to hear great music from the orchestra, and they want it to be in perfect shape.

"The communication professional is not anymore seen as merely an ‘information conduit’, communication is expected to contribute to the achievements of company objectives" (Van Riel, 2000, p. 159). Actually, communication plays a crucial role in helping the organisation to achieve its objectives. Especially during a merger, when the risk of losses of engagement
and discrepancies in the messages sent by the organisation is high, orchestrating communications is essential. Van Riel (1995, 2000) provides an interesting framework that can help communications professionals to develop the identity and image of organisations by creating a sustainable corporate story based on common starting points, which are inspired on the firm’s strategy. A sustainable corporate story can concentrate and drive the communication efforts of any organisation, both internally and externally.

This essay shows that the application of the framework suggested by Van Riel (1995, 2000) can be a successful strategy to promote integration during a merger. The role of the communications professional during a revolutionary change process like a merger is to face the hard task that is putting down boundaries and people’s resistance in order to integrate former competitors, helping the organisation to discover and communicate its new identity in a coherent and coordinated way. If the conductor of the orchestra is successful in making the musicians harmonically play the music, the audience will be pleased to hear a harmonic song and will repeatedly come back to appreciate new spectacles.

6. Limitations Further Research

The present work has the merit to provide some original insights in the combination of different sets of theories related to corporate communications, including stakeholder theory, communication and performance, sense-making, van Riel corporate story model and change. However, it presents no empirical research or analysis on the application of the studied model in practice. Further research could look closer to mergers with case study methodology, using qualitative and quantitative methods in order to observe the application of the corporate story theory during a merger in practice and add further elements to this tool. Furthermore, researchers could also look at former merger processes and survey how far a corporate story was used as a tool to integrate communications and to what extent this tool was effective and helped in the success of the new organisation.

7. References


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