

COMMUNICATING UNCOMFORTABLE NEWS

— THE BENCHMARKS —

1 THE BRIEF

'What are the global benchmarks for communicating uncomfortable news?'

2 HOW DID WE EXECUTE THE BRIEF?

Note the following issues:

- You won't find a universally accepted list of benchmarks; it's not in the nature of the discipline
- Organisations won't divulge their communication strategies; we can only deduce after the event as reported in the media; this results in a long and laborious process of reconstruction

So what we did was:

1. Scan the leading international journal on corporate communication strategy (the London based Journal of communication management. Contributions in this magazine adequately reflect current theory and academic thinking on the subject
2. Scan reputable consulting journals (Harvard Business Review and Strategy + Business) for indications at a somewhat more practice directed level
3. Scan for and recall from memory opinions expressed in general business literature such as Fortune and FT, as well as the Internet
4. Then, integrate information gleaned in this way in a sound strategic framework; in other words first ask the high level strategic questions and then build the communication strategy
5. Do a reality check from our own life-time exposure to communication theory, practice as well as strategic advice
6. All this had to be accomplished in a reasonable time frame to keep costs appropriate to the end application of the brief
7. The analysis of case studies had therefore to be cursory; there is a richness of material

there that clearly warrants a follow-up project and which could decidedly benefit Sasol.

The result:

The result is a concise appraisal of globally acceptable practices with enhanced richness because we approached the subject from fundamental strategic principles.

In the end we *do* offer a 'tick box' with explicit benchmarking.

3 SO, WHAT IS UNCOMFORTABLE NEWS?

'Uncomfortable' clearly is a euphemism. There are different kinds of uncomfortable news:

- News that is unnerving, disturbing,
- Shocking and down and outright
- Horrifying
- News that is inherently controversial

And then there is news that needs to be conveyed:

- Before an event,
- After the event and
- Communicating a state of affairs/process
- As a sub-specie of Issue management, a topic of general interest that exceeds the boundaries of the organisation (as opposed to for example communication staff reduction).

Events may be once off, but poised to become chronic. 'Katrina' that struck New Orleans was a single event whereas the terror attacks on 9/11 constituted an event, but were precursors to a chronic state of affairs, the so called war on terror.

We may also learn from communicating news that is inherently controversial.

We keep in mind the end application of this research: to serve as the scaffolding for a Sasol communication strategy on global climate change.

In this context, therefore, 'uncomfortable news' means:

- Issue communication: communicating a state of affairs which may be at best disturbing and at worst shocking.

Most of the available material on communication strategy refers to event communication and mostly

to processes such as transformation with a limited time span. However, we can learn a lot from these situations and apply them to our case.

4 COMMUNICATION IS A STRATEGIC INITIATIVE

4.1 Communication strategy imperatives

When we say that communication is a strategic initiative, we refer to two aspects:

1. The communication must be based on fundamental strategic principles and secondly, which is even more important
2. The communication must clarify, develop and promote the strategy of the organisation; in other words: Does the organisation understand its own strategy better after the development of the communication strategy? Did new strategic issues come to light that enriches the organisation's understanding of its purpose and goals? Does this communication further the organisation's strategic objectives? If not, the communication strategy is merely a cosmetic exercise.¹

4.2 Fundamental strategic decisions

At the highest level of strategy there are two issues to be decided:

1. How will we position ourselves?
2. Do we defend or attack? (where defence is more important than attack)²

How do these translate in our situation?

4.3 Define your position

Position is defined by the following elements:

- What kind of business (industry and speciality) are we in? market share, key expertise, core value proposition, differentiator vis-à-vis the opposition, mission (reason d'être), values and vision

¹ We interpret and extrapolate on Steyn, B 2003: 'From strategy to corporate communication strategy: a conceptualisation.' in: *Journal of Communication Management*, Vol 8,2: 168-183.

² See Du Plessis, B 2003: Back to basics: Strategy. RAP: Stellenbosch.

Defining the position once again comprises two functions:

1. What is the present position of the organisation?
2. What should the position be?

'Position' refers to the following aspects:

- The strategic position of the organisation as defined by the organisation
- The perception key stakeholders have of the organisation's strategic position and brand³
- The position of the organisation with regard to the issue to be communicated and with regard to related issues; in this instance issues such as:
 - Alternative energies
 - Pollution
 - SHE-reporting (Sustainability, Health and Environment)
 - Corporate ethics

Example: In the 1990s BP radically repositioned itself from a petroleum company (dropping the 'Petroleum' officially from its name and changing the whole slant, making the abbreviation stand for 'Beyond petroleum'.⁴ The corporate identity was adjusted to signify organic (an 'energy' flower).

4.4 Serve corporate reputation

The point of convergence between corporate strategy and communication strategy is the corporate reputation. Once again BP serves as a benchmark.

Note Lord Browne's remark: 'I believe people expect a company like BP to offer answers, not excuses...They expect successful companies to take on challenges, to apply skills and technology and to give them better choices.' This remark followed on BP's initiative in 1997 (the first major oil company) to publicly recognize the risks of global warming and to go ahead of government mandates and establish its own schedule of reducing sulphur and cutting greenhouse gasses. BP also invested substantially in solar energy.⁵ In fact BP created its own agenda and

³ Refer to the classic expression of positioning in the minds of stakeholders first published in 1981, Ries, A & Trout J 1993: Positioning: The battle for your mind. Bantam: New York

⁴ Alsop R 2004: The 18 immutable laws of corporate reputation. Kogan Page: London, p 85.

⁵ Refer to footnote 4 above.

positive newsworthy events. BP made its own news (of course reputation can just as easily be damaged by unexpected events as happened in 2006 with BP in Texas). It is of course a quite a different question if BP adequately managed communication this crisis (as well as the resignation of Lord Browne in April 2007!).

- The key indicator: create reputable actions: Reputation is built on a track record. You must ask yourself, what can the organisation do to create a reputable track record?

This is where communication is reflexive, that is not only packaging news, but actively prodding and advising the organisation on what news to create! (Also see our remarks further down in section 4.5)

The BP/Lord Browne case also illustrates how intimately corporate reputation and the CEO of the organisation are entwined.

- The CEO plays the leading role
In fact, in communicating news of the kind that we are talking about, the role of the CEO is of strategic importance.

Example: Reports, analysis and evaluation of communication after 9/11 showed how crucially important the role of the CEO was. Although 9/11 is an example of crisis event communication, which is different from the communication of a state of affairs or process as we are concerned with here, extreme situations, such as 9/11 offers a concentrated view of communication that has a wider applicability.

So here are key lessons to be learnt from 9/11 which are applicable to our situation:

1. The CEO must take control and drive the campaign as a personal priority
2. The first imperative for the CEO is to (re)build the morale of employees: 'the most effective managers understand that their job is political and their employees are, in a very real sense, their constituents... most people engulfed in a crisis "want to be lead and accordingly need to trust that you are going to lead them."'⁶

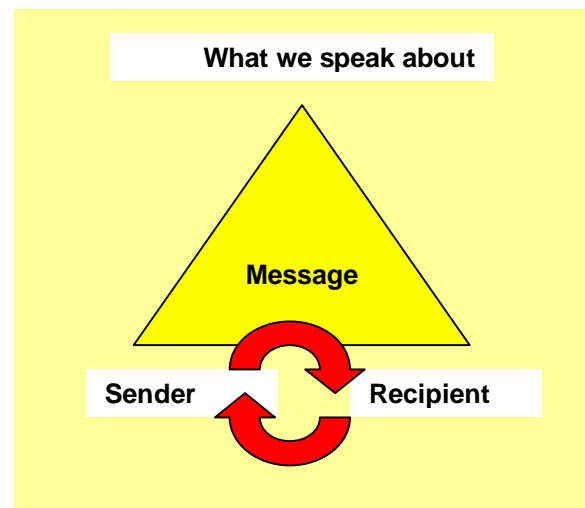
⁶ Argenti, P 2002: 'Crisis communication: Lessons from 9/11' in Harvard Business review, December 2002; pp-103-109.

The all important role of the CEO was also emphasised at the time of the event when Michael Eisner of Disney, within hours after the event, began communicating to Disney employees worldwide and kept it up throughout the ensuing weeks.

4.5 The communication imperative:

Interpret the recipients' point of view
The key value-add of the communication function takes place before packaging the message or series of messages. The key value-add of the communication function to the organisation is to help the organisation from the point of view of the recipients: How will they perceive us/ hear us/ react to us?

Consider the trivial communication model:



The usual understanding is that executives will deliver the gist of the content which 'communication' must then package or prettify for consumption. In this conventional view the activity takes place at the 'sender' point of the triangle.

As we have seen above this is much too shallow, the communication's function goes much further than merely prompting to reconsider organisational strategy, it must first and foremost help the organisation, its strategy and plans to see itself as outsiders would see them. Communication must be directed at the outsiders' point of view.

This brings us to our next point, interpreting the communication space, the space and all the actors in which the communication will be taking place.

5 THE COMMUNICATION SPACE

The communication space must be analysed according to the socio-political space, general anthropology (i.e. basic human motivators in decision making) and the actors in the specific space.

5.1 The ideas

Global climate change has become something of a religion. Points of view are judged not as prudent or imprudent, logical or illogical, but as right or wrong in the moral sense. It is a domain in which you are either a sinner or a saint. Where issues are at stake, this is often the case.

5.2 Actors in the communication space

It is the duty of the communication function to describe the attitudes of the various actors and their strategic advantages and disadvantages in detail before attempting to devise the message and the campaign.

Activists

When an issue has become quasi religious, it is the ideal socio-political space for activist groups. The activists' agenda has authoritatively been described by Jacques.⁷ The key features are:

- Focussing on clear, basic moral values, moral authority and moral leadership
- Oppositional, drawing clear-cut battle lines
- Targeting the undecided
- Be a (responsible) extremist
- Assert ongoing pressure

It is the communication function's responsibility to prepare a strategy and campaign that will pre-empt this agenda.

Government

Governments are crucial to issue management and communication because they legislate with regards to the parameters of the communication space.

The general public

In issues with a moral and ethical dimension, governments the moral and the ethical dimensions

⁷ Jacques, T 2006: 'Activist "rules" and the convergence with issue management' in: Journal of communication management Vol 10,4: 407-420.

challenges organisations because the general public will 'like the warm glow they get from buying ethically sound products, but there is little sign that they are prepared to spend more money on them.'⁸

Members of the organisation

The organisation may contain members of activist groups (the enemy within the gates) and if the organisation is large with a global footprint will have the normal distribution to be found in the general population.

Organisations are therefore caught in a vice between the extremist demands of activists and the limited action the general public is willing to take.

Estimating the exact pitch of promises made in communication is of crucial importance, occupying high moral ground, without over promising on costly commitments.

Media

We are referring both to the traditional media and to the informal blogging media on the internet.

Also, remember that you are not the only ones communicating to your own employees, the general media reaches them too and you need to counter or augment these messages.

Example: An example where issue communication is fresh and innovative, taking into consideration the dichotomy between government responsibility and the attitudes of the general public as well as where the leader is being part of the message, is the way in which Arnold Schwarzenegger, governor of California has approached the issue of global warming.

He is being lauded as bringing a fresh and realistic approach to communicating the need for change re global climate change.⁹

He does not ask Californians to dump their SUVs but rather converts his own SUVs electricity and bio fuels power and supporting a competition for sports cars with bio fuels. In this way Schwarzenegger makes green cool and gathers the accolades of the media,

⁸ The economist, 2nd June 2007; pp 31-32.

⁹ Fortune, 23rd March 2007; Fortune website: http://money.cnn.com/magazines/fortune/fortune_archive/2007/04/02/8403410/index.htm?postversion=2007032109

builds his reputation and changes the view people view energy hungry Californians.

Last but not least Schwarzenegger's own person supports the integrity of his message: 'I'm not an environmental fanatic. That's why our program [in California] works, because people know that I have not come from that background,' says Schwarzenegger.

5.3 Anthropology

What makes people change a mental position? The Nobel winning research of Daniel Kahneman (with Amos Tversky) has now gained almost universal acceptance in the social sciences. Based on empirical experimentation, rather than speculation, the results are unequivocal: We are persuaded twice as powerful by the threat of loss than we are by the promise of reward.¹⁰ —

For issue communication to be effective in persuading stakeholders to a specific position you must convince them that they have more to lose by holding on to their present position than by accepting the new position.

Example: Let us take a quick look at an example of issue communication which will make abundantly clear how much the organisation is dependent in this field on factors totally outside of the organisation's control and how important it is to be able to react positively at the appropriate moment. We are referring to the issue of nuclear power, specifically South Africa's Pebble Bed Modular Reactor (PBMR) organisation. No new nuclear power reactors have been built in Europe or the United States for the past twenty years plus. In this time, after Chernobyl and Three Island now amount of communication would have been able to sway public and government opinion. The only thing proponents of nuclear power could do was keep their heads low and desperately try to communicate as little as possible so as not to attract attention.

Then, with the advent of global climate change a change of opinion took place: The mainstreaming of the global-warming threat has had another effect that would have seemed unimaginable even a few

¹⁰ Kahneman D and Tversky, A 1979: 'Prospect theory: An analysis of decision under risk' in: *Econometrica*, Vol. 47 No. 2: 263-291.

years ago. Several of the world's most eminent environmentalists now embrace nuclear power. Stewart Brand writes in the current MIT Technology Review, "The only technology ready to ... stop the carbon dioxide loading of the atmosphere is nuclear power." James Lovelock, the originator of the Gaia hypothesis, which regards the earth as a single, living organism, has stated flatly that "nuclear power is the only green solution." Even Greenpeace co-founder Patrick Moore has spoken up for nukes. They all make the same point: In a world threatened by warming, an emission-free power source is desperately important. Solar and wind power cannot even begin to fill the need. And after 50 years of experience with nuclear power, the risks are no longer great enough to justify opposing it."¹¹ —

Now the time was ripe for the proponents of nuclear power to go public again. In South Africa PBMR now had strong arguments to bolster the case for their innovative small reactor solution. Unfortunately, the new democratic government associated the project with the previous regime.

Then the South African Minister for Energy Affairs travelled abroad to research the issue. In London the representative of Greenpeace made a virulent attack on the South African initiative. He then concluded with the remarks: 'And in any case such a small country as South Africa can never deliver on the sophisticate technology.' Then and there minister Pumzile-Ncaqula took umbrage, reversed her earlier opinion and came back to South Africa a vigorous proponent of the PBMR project.

What remains for them to do, is carefully nurturing the PBMR project as a project of national prestige and carefully executing the environmental impact studies and the activist groups that are involved. Fact is the high level strategic ground was gained because and activist overplayed his hand with a single, final remark.

For the rest PBMR has successfully repositioned the project from an energy supply project to a project of national prestige.

¹¹ Fortune, May 39th 2005; Fortune website: http://money.cnn.com/magazines/fortune/fortune_archive/2005/05/30/8261234/index.htm

6 COMMUNICATION CONTENT

Communication content should distinguish between:

1. The strategic communication message and
2. Tactical messages that are adapted to:
 - The occasion and to the
 - The communication channel.

Then also: Defence takes precedence in shaping the message. As in all strategy, defence takes precedence over attack. This means that the highest imperative is how will we prevent being misunderstood (not 'Will people understand us'). It is even more important in the highly charged atmosphere of communicating uncomfortable news or news that is inherently controversial.

Content benchmarks

- Focus clearly on a clear, succinct moral and ethical message (see above 5.2)
- Take into consideration that the general public (outside of small interest groups and activists) will choose comfort and lower cost above ethical considerations (see above 5.1 General public)
- You will therefore have to show function, practical advantages
- Conform to the basic persuasive tenet that you must show greater loss in adhering to the opposing point of view than to your own position
- Have a refreshing angle that shows an original way of attacking the problem (vide Schwarzenegger) and finally
- Make the defensive attitude your first concern: shape the message so that it cannot be misunderstood.

7 COMMUNICATION CHANNELS

That you should be planning and utilising the full panoply of communication channels is a trivial remark.

What is not trivial is that the way the new media, such as blogging should be utilised. The pitfalls are serious as it is here that the activist groups excel in manipulation public opinion.

Furthermore the blogs are notoriously difficult to manage according to conventional communication principles and attempts at authoritarianism and undercover actions have as a rule backfired.

Finally let us summarise with a tick box checklist.

8 CHECKLIST

| | Benchmark | Yes |
|----|---|-----|
| 1 | Have we adequately described our organisation's high level strategic position as is in the eyes of the organisation itself? | |
| 2 | Have we got a clear understanding on how our major stakeholders understand our present high level strategic position as well as our position with regard to the issue of global climate change? | |
| 3 | Have we described our organisation's intended high level positioning with regard to the issue (global climate change)? | |
| 4 | Could we contribute to a fresh look at our organisation's high level strategy? | |
| 5 | Have we clearly defined how our organisation's reputation can be enhanced by taking the new position? | |
| 6 | Have we acquired the CEOs personal commitment for the new position and the communication process? | |
| 7 | Have we got a practical and definitive list of actions to be undertaken by the CEO in building the organisation's reputation for the new positioning and in communicating it? | |
| 8 | Do we know that the organisation is committed to actions which will build the organisation's reputation? | |
| 9 | Will these actions be newsworthy enough in themselves so that the general media will communicate them? | |
| 10 | Have we done proper and detailed research on the activist groups and other actors in our communication space? | |
| 11 | Have we done proper and detailed research on the ideas in the communication space? | |
| 13 | Have we formulated a high level strategic message from the point of view of the recipients of the message? | |
| 14 | Is the moral and ethical content of the message lucid, concise and believable, | |

| | | |
|----|--|--|
| | given our past reputation and our future commitments? | |
| 15 | Have we carefully checked our core ethical and moral message against other issues and ideas in the communication space (eg. Nuclear power, alternative energies, etc)? | |
| 16 | Have we taken into consideration that the general public will not pay more to fulfil ethical obligations and have we therefore made the necessary trade-offs between moral demand and promise of delivery? | |
| 17 | Do we clearly show functional, practical advantages? | |
| 18 | Do we adhere to the persuasive tenet to show clearly how adhering to present positions will cost more (and not only in the financial dimension) than changing to the new, preferred position? | |
| 19 | Have we got a fresh angle to capture the imagination? | |
| 20 | Have we carefully checked that our message will not be misunderstood (through market research, if necessary)? | |
| 21 | Have we planned our channels? | |
| 22 | Do we have a clear idea how we will navigate the blog sphere? | |
| 23 | Have we put measures in place to measure our own employees' morale on the issue as this is one of the key measures of success? | |
| 24 | Do we have a dedicated monitoring system for reacting quickly to events in and outside the company? | |
| 25 | Is there a proper crisis communication plan for when things go wrong? | |



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