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Derina Holtzhausen, Ansgar Zerfass

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Emanuele Invernizzi, Stefania Romenti
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Adopting an Entrepreneurial Perspective in the Study of Strategic Communication

Emanuele Invernizzi and Stefania Romenti

Four Dimensions of Entrepreneurial Organization Theory

This chapter explores the ability of Entrepreneurial Organization Theory (Alvarez & Barney, 2004; Burns, 2005; Busenitz et al., 2003; Bygrave, 1989; Dew, Ramakrishna & Venkataraman, 2004; Foss & Klein, 2005; Ireland, Hitt & Sirmon, 2003) to provide a unique conceptual framework that can be used to integrate and evaluate each dimension of strategic communication.

Entrepreneurial organization theories (EOTs) support the development of processes for creating value in a firm because it has “the ability ( . . . ) to act entrepreneurially” (Stevenson & Jarillo, 1990, p. 23). “Thus, corporate entrepreneurship can form a basis for competitive advantage and technological growth in all types of firms that are oriented toward leadership and excellence in the new global economy” (Gupta, MacMillan & Surie, 2004, p. 243). Stevenson & Jarillo (1990) define corporate entrepreneurship as “a process by which individuals—either on their own or inside organizations—pursue opportunities without regard to the resources they currently control” (p. 23).

We have chosen to examine four dimensions of EOTs, which can be defined as gate-keeping and networking; orientation to innovation; transformative leadership and visioning; and enactment.

Gate-Keeping and Networking

Gate-keeping consists in gathering continuously updated outside information and knowledge regarding areas of interest for organizational development, such as the introduction of technological innovation or change in the market or within the organizational environment. This implies “(s)earching, filtering and evaluating potential opportunities from outside the organization, including related and emerging technologies, new markets and services, which can be exploited by applying or combining with existing competencies” (Tidd, Bessant, & Pavitt, 2001, p. 293). Gate-keeping can also be carried out within the organization by supporting and combining existing sources of knowledge and coordinating different work teams. “The examination of the internal environment involves the evaluation of novel combinations of existing technology, shelved concepts and ideas, and new applications for existing competencies” (McFadzean, O’Loughlin, & Shaw, 2005, p. 356). In particular, gate-keeping favors the development, maintenance and improvement of the so-called internal communication networks supporting work groups.

Creating a network of relationships based on trust and credibility in the gate-keepers facilitates building the social capital needed to spread information, feedback and knowledge. “Networks have
been seen as important to entrepreneurial activity since Granovetter (1973) suggested that they, and not autonomous action, were the major driver of entrepreneurial activity” (Butler, Brown & Chamomnarn, 2003, p. 152). Entrepreneurship needs social interactions both within and outside the organization in order to generate support from others and to shape and develop new ideas (Sadler-Smith, Hampson, Chaston, & Badger, 2003). “Networks provided a way to link information to entrepreneurial performance, as a critical explanatory variable” (Butler et al., 2003, p. 153). Business networks provide useful business information, advice and access to informal alliances, while personal networks are key entrepreneurial ingredients and efficient channels for ideas (Kusuma Wardhani, McCarthy & Perera, 2009).

Cultivating networks gives a firm the resources needed to survive in the medium and long term (Stevenson & Jarillo, 1990). This means being able to develop and maintain relationships with clients, suppliers, collaborators and competitors operating in different sectors (Hitt, Ireland, Camp, & Sexton, 2001). In this way the organization manages to find, within its own network, the resources of information, technology, and finance and the skills needed to successfully compete in the market (Hitt et al., 2001).

Social capital formed through the experience acquired within the organization’s internal network is a theme of growing importance (Hitt et al., 2001; Tsai, 2000). Organizations are oriented toward building relationships of trust that allow them to work efficaciously with their partners. The relationships based on mutual trust not only limit opportunistic behavior, but also represent a source of competitive advantage for the network (Davis, Schoorman, Mayer, & Tan, 2000). Advantages in terms of resources and legitimacy of work carried out, and membership in the network, may affect all its components (Hitt et al., 2001).

**Orientation to Innovation**

“A number of authors have emphasized entrepreneurship as the primary act underpinning innovation, which also resonates with Schumpeter’s (1961) view of entrepreneurship, as the primary catalyst for innovation” (McFadzean et al., 2005, p. 351). Drucker (1985), for example, suggests that innovation is the primary activity of entrepreneurship. Also, Lumpkin and Dess (1996) argue that a key dimension of an entrepreneurial orientation is its emphasis on innovation. “Corporate entrepreneurship can be defined as the effort of promoting innovation in an uncertain environment” (McFadzean et al., 2005, p. 356).

Within the entrepreneurial organization innovation is promoted from an internal perspective, through the continuous evaluation of new potentialities and ideas and the alignment of different resources to exploit these potentialities (Li, Liu, Wang, Li, & Guo, 2009). This is the reason why McFadzean et al. (2005) use the terms entrepreneurship with intrapreneurship interchangeably.

Possessing innovative ability means knowing how to identify new market, technological and organizational opportunities, as well as knowing how to deal with possible problems or fill in gaps due to changes in the environment the organization operates in (Hayton & Kelley, 2006).

Innovation can be defined as a process that provides added value and a degree of novelty to the organization and its suppliers and customers through the development of new procedures, solutions, products and services as well as new methods of commercialisation.

*McFadzean et al., 2005, p. 353*

Entrepreneurial theories maintain that innovation is a discontinuous and non-linear process that involves an ample number of subjects, both inside and outside the firm. Corporate entrepreneurship is held to promote entrepreneurial behaviors within an organization (Echols & Neck, 1998).

Innovative ability cannot be concentrated in one or a few individuals. The reason for this is that innovating requires wide and specific knowledge of techniques and managerial practices in use for
existing services and products (Knight, 1997; Prahalad & Ramaswamy, 2003). “The level of entrepreneurship within the firm is critically dependent on the attitude of individuals within the firm, below the ranks of top management” (Stevenson & Jarillo, 1990, p. 24). Successful implementation of strategies is a product of involving people throughout the organization (Morris, Kuratko, & Schindehutte, 2001; Morris & Kuratko, 2002). Gupta et al. (2004) argue:

Fostering experimentation and autonomous initiatives in subordinates to promote autonomous strategic decision-making helps generate commitment and higher levels of involvement, raises morale and increases the capacity to address ambiguity by improving the ability to gain access to required information through multiple channels.

The entrepreneurial leader’s challenging task is to mobilize the capacity of the organization and its stakeholders to do the above (Gupta et al., 2004, p. 245).

**Transformative Leadership and Visioning**

Entrepreneurial organization is based not only on the ability to create innovation but also on the ability to guarantee its development and use (Hayton & Kelley, 2006). Such ability is believed indispensable to the success of any organizational initiative (Schon, 1967), and, in entrepreneurship literature, has been identified in the qualities of championing, visioning or transformational leadership (Bass, 1985; Gupta et al., 2004; Hayton & Kelley, 2006; McFadzean et al., 2005). This means knowing how to unfold innovative potential in an organization, overcome critical obstacles, and resolve any opposition through constant search for commitment on the part of key stakeholders (Howell & Higgins, 1990). This requires a “vision to energise employees, help them to meet the challenges that face them” (McFadzean et al., 2005, p. 366).

Actively promoting innovative ideas and projects is a good way to create engagement, motivation, and sharing among the organization members (Hayton & Kelley, 2006; Howell & Higgins, 1990) and thereby obtain their support. An important characteristic of entrepreneurial organization is the effective communication of an entrepreneurial vision. Hitt et al. (2001) note the significance of developing, communicating and emphasizing specific shared values among organization members. Some authors “highlight the visionary role of top management in creating the context for transaction set altering changes (sic)” (Gupta et al., 2004, p. 244).

In this regard entrepreneurial organization draws inspiration from the theory of transformational leadership in the organizational environment (Bass, 1985; Hayton & Kelley, 2006; Howell & Higgins, 1990) and stresses the importance of formulating a vision of the project, thus encouraging organizational members involved to actively support the project and developing a relationship of trust and respect with every one of them. Sharing the objectives of the project to encourage participants to attain superior results, as well as fostering discussion regarding the project, and comparing different analytical points of view are equally important (Maidique, 1980). “We define entrepreneurial leadership as leadership that creates visionary scenarios that are used to assemble and mobilize a supporting cast of participants who become committed by the vision to the discovery and exploitation of strategic value creation” (Gupta et al., 2004, p.242). This definition emphasizes the challenge of mobilizing the resources and gaining the commitment required for value creation that the entrepreneurial leader faces, which involves creating a vision and a cast of supporters capable of enacting that vision. “The two challenges of forging a vision and building a cast of competent and committed supporters are interdependent since the former is useless without the latter” (Gupta et al., 2004, p. 242).
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**Enactment**

The innovative ability of an *entrepreneurial organization* is closely tied to the ability to activate, build, and re-invent the organization’s competitive environment. In other words, the organization carries out a process of *enactment*, a term used to indicate a process of activation and creation of the environment on the basis of individual interpretation, to which meaning is attributed (Daft, & Weick, 1984; Weick, 1995). In fact, the institutional setting may at times not understand the innovative solutions and behaviors the entrepreneurial organization carries out. As a result the organization may decide to either align itself with the environment or to carry out modifications and changes to its interpretation of the environment. “Strictly speaking, opportunities become real in the creative mind of the entrepreneur, as he or she uses observations and impressions from the external environment to activate unobserved or latent combinations of resources and customer demand” (Zander, 2007, p. 1144).

In such a case we speak of *enacted environment* (Daft & Weick, 1984; Smircich & Stubbart, 1985) or *selection environment* (Levinthal, 1994), within which an organization carries out behaviors, experiments with different solutions, or creates new markets on the basis of its own opinions and knowledge, ignoring past behavioral norms and consolidated traditional expectations. “There are no threats or opportunities out there in an environment, just material and symbolic records of action. But a strategist—determined to find meaning—makes relationships by bringing connections and patterns to the action” (Smircich & Stubbart, 1985, p. 726).

An enactment model implies that an environment of which strategists can make sense has been put there by strategists’ patterns of action—not by a process of perceiving the environment, but by a process of making the environment (. . . .). In summary, theories involving objective or perceived environments envision concrete, material organizations that are within, but separate from, real material environments. The relationships between the two are expressed in terms of cause and effect. On the other hand, enactment theory abandons the idea of concrete, material organizations/environments in favour of a largely socially-created symbolic world.

Gupta et al. (2004) describe two kinds of enactment: scenario and cast enactments. *Scenario enactment* consists of envisaging and creating a scenario of possible opportunities. *Cast enactment* is to convince the firm’s network of stakeholders that it is possible to accomplish the objectives emerging from the scenario.

**Finding Four Dimensions of Strategic Communication**

Corporate communication and public relations literature has given diverse meanings to the concept of strategic contribution of communication, praising its multiple potentialities and delineating the implications in the process of creating corporate value (Hallahan, Holtzhausen, Van Ruler, Verčič, & Sriramesh, 2007). The present section will point out four components of strategic communication in the light of the four dimensions of Entrepreneurial Organization Theory (EOT). Their comparison will allow us to show the importance that each component of strategic communication exercises in creating competitive advantage and in contributing to the success of the firm. Above all, it will allow us to highlight the contribution that strategic communication makes to the different decision processes of the firm. Rereading the contributions of strategic communication in the light of the analyses carried out using EOT permits us to single out the following four dimensions: the *aligning* role of strategic communication, meaning both boundary spanning and environmental scanning, and the activity of bridging and engaging stakeholders; the *energizing* of internal stakeholders, stimulating
their orientation to innovation; the *visioning* role of communication, meaning the activation of transformative leadership through the definition and diffusion of a vision, corporate strategies and guiding values; and the *constituting* role of strategic communication, meaning the enactment of competitive environment through the sense-making processes and the creation of organizational settings and company environments.

**Aligning**

The aligning component of strategic communication includes environmental scanning and boundary-spanning activities, as well as bridging and engaging ones.

Communication plays its role at the increasingly more and more porous and fragile boundary between the organization and its reference environment (White & Verčič, 2001). From this viewpoint, communication exercises a function of *boundary spanning*. The fact that it has a boundary function gives corporate communication a privileged position for observing and interpreting the context in which an organization operates, and this is considered a central theme in strategic management studies to guarantee long-term corporate survival.

The monitoring and interpretation of the ongoing dynamics in *environmental scanning* are thus an important component of the strategic contribution of communication to the decisional processes and can be conducted on two levels: the issue and public level and the company stakeholder level (Stoffels, 1994). Through such activities, communication stimulates management to formulate strategies and processes aligned with the ongoing dynamics in the company’s social context and with the most relevant expectations of stakeholders, rather than just limiting itself to only considering its own interests (Steyn, 2007). This facilitates the progressive legitimization of the company in its environment, which is a necessary condition so as to maintain its long-term “operating license.”

The decisions of the companies that use this type of approach end up being more sustainable, not only from the standpoint of financing, human resources, and technology, as traditionally occurs in the majority of corporations, but also from the communicative standpoint (Lurati & Eppler, 2006). Taking sustainable decisions from the communicative standpoint, therefore, means ensuring that the choices made are not only communicated, but also aligned with the expectations of the company stakeholders as well as with the public image and identity of the organization (Lurati & Eppler, 2006).

Together with boundary spanning and environmental scanning activities, the aligning component of strategic communication includes bridging with and engaging stakeholders.

Public relations scholars have traditionally identified the development of solid, lasting, and symmetric relations between the organization and its stakeholders as the strategic objective of communication (Grunig, 2001; Lan, 2006; Ledingham & Bruning, 2000). This role implies abandoning short-sighted management attitudes dedicated primarily to defending management’s own areas of interest (buffering) in favor of dedicating their energies to encouraging greater open-mindedness on the part of the organization to its reference environment, welcoming stimuli coming from outside, and valuing the wealth of opinions, positions, and experiences which constitute the organizational context.

Assuming an approach of this type means building bridges between the organization and its most important stakeholders (bridging), as well as activating and facilitating the participation and involvement of company members, while taking care to maintain a balance between the weight of their voices and those of the management of the organization (Van den Bosch, & van Riel, 1998).

Beyond bridging, stakeholder engagement means activating co-decisional processes, building partnerships and stimulating supporting behavior from stakeholders. Activating co-decisional processes, for example through ad hoc stakeholder meetings and multi-stakeholder workshops, means incorporating stakeholders’ points of view in managerial decision making. The result is shared choices that should be more aligned to meeting stakeholders’ expectations. Building partnerships means working
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together with stakeholders to devise, plan and develop new business solutions. Stimulating supporting behavior transforms stakeholders into real advocates for organizational projects.

Granarolo Case Study
Granarolo is a leading Italian dairy company and its reputation has been built on a solid network of stakeholder partnerships through which the company continuously improves organizational learning and develops new business solutions. In particular, the activation of co-decisional processes involving stakeholders enabled the company to recover from a severe loss of confidence by investors in the second half of the 1990s.

The reputation development model Granarolo adopted focuses on the systematic engagement of stakeholders. The six reputation drivers—vision and leadership, financial performance, internal climate, social responsibility, quality of products, and innovation—become starting points for stakeholder engagement. For this reason, engagement has not been limited to listening to stakeholders’ needs and expectations. They were involved first in the process of defining, disseminating and implementing new values and corporate identity. Second, employees were involved in work groups in order to implement shared solutions to make the working environment and the internal climate better, and to debate the future challenges that the company would face.

Other ways of engaging clients, local communities, NGOs and suppliers on issues of social, environmental and economic sustainability were adopted. Numerous partnerships with suppliers were set up in order to develop new products, packaging and production solutions. As a consequence, the company tripled its revenues between 1995 and 2008, and since then the market share has continued to grow.

The case study shows that the introduction of co-decisional processes involving stakeholders, the building of partnerships, and the stimulation of supportive behavior helped the company to overcome a severe crisis of trust among employees and shareholders. Putting stakeholder engagement at the center of reputation development enabled the company to satisfy the needs of multiple categories of stakeholders (Freeman, 1984), encouraged them to identify and agree with business projects, and guaranteed substantial and enduring consistency in communication, core values and organizational behavior.

Energizing
Strategic decisions should, therefore, be rooted in the interchange between the organization and its most important internal interlocutors, rather than being defined only autonomously by the dominant coalition (Stroh, 2007). This line of research is the concrete expression of what Knights (1997) defined as a postmodern approach to the strategic management of a corporation, where the efficacy of decision making increases proportionately to the number of participating members; that is, proportionate to the wealth of points of view and experiences.

Communication professionals acting as activists should concentrate more on facilitating rather than on managing communication, thus contributing to creating processes that have meaning and attribute priority to the strategic options of the organization (Holtzhausen, 2002). The postmodern approach emphasizes the fact that paradox, which originates in dialogue among its principle figures, continually characterizes corporate life. The meaning of organizational action, in fact, is created through constant interaction, participation, continuous change and self-regulation among the corporate parts. Thus diversity contributes to feeding the decisional, managerial, and productive processes with ever-new knowledge.

Even the most recent contributions of Innovation Communication (Zerfass, 2005; Zerfass, & Huck, 2007) stress that strategic communication as a support of innovation has the creation of
a collaborative culture and fertile climate as its goal. “Innovation Communication differs fundamentally from ‘ordinary’ communication which is based on the situation that organizations and employees generally act in concert and share a common corporate goal” (Zerfass, 2005, p. 16). Strategic communication supports management in reassuring employees regarding changes due to innovation, supplying adequate information, and, in particular, listening to what happens inside the organizational context (Zerfass, & Huck, 2007). Communication must be oriented to defining objectives with precision, facilitating their sharing, and creating surrounding forms of cooperation. “Internal Innovation Communication is essential for defining innovation goals, capitalizing existing knowledge, overcoming fear, enhancing motivation, and developing shared visions” (Zerfass, 2005, p. 18).

The latest contributions in the field of internal communication (Boswell, 2006; Welch & Jackson, 2007) stress the importance of empowering employees within the innovative process. “The internal corporate communication dimension is defined as communication between an organization’s strategic managers and its internal stakeholders, designed to promote commitment to the organization, a sense of belonging to it, awareness of its changing environment and understanding of its evolving aims” (Welch & Jackson, 2007, p. 193). Communication has the aim of rendering employees responsible by virtue of their being of key importance in implementing innovative processes (Dougherty, 1996). Effective communication transmits an innovative spirit to all employees, stimulating them, supplying input, and giving every individual room for expression as well as defining his or her specific responsibility.

**Ferrari Case Study**

The re-birth of Ferrari, the well-known Formula One auto maker, following a period of extremely serious crisis during the 1980s, is tied to the strategies put into effect by the new CEO, Luca Montezemolo. Montezemolo is a former director of Corporate Communication of the FIAT Group, where he reached the position of CCO. He joined Ferrari, became its president in 1991, and started a program that he named *Formula Persona*, which consisted in continuously improving innovation and creativity, centering on each employee and on what she or he could contribute.

To this end, several buildings and work environments were designed to optimize the production process and emphasize employees’ individual identity and sense of belonging. In addition, a system was designed to recognize the contributions of the employees and to implement a series of company-sponsored services, including outside services, to simplify and improve employees’ lives. This package of benefits took into account various aspects of private life: health, physical fitness and financial support, specifically as regards buying a home and furthering education.

The idea on which the *Formula Persona* was based, was that these measures would communicate to the employees the value the company placed on them as well as the recognition of the contribution of every person to the company’s success.

The results have been astonishing from the point of view of employee commitment and of the company’s economic results. In the middle of the 1990s the economic bottom line turned up and in 1999 Ferrari started again to win the world championships non-stop up until 2008 (Invernizzi, Romenti, & Fumagalli, 2012).

**Visioning**

Some scholars (Argenti, 2008; Cornelissen, 2008; van Riel, 1995) define as strategic those communication activities that make known the contents of company strategy and important corporate decisions to key stakeholders, both internal and external. The communication activity focuses on what to communicate in order to obtain the desired effect (Stroh, 2007). In the case of internal
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stakeholders, communicating the decisions regarding strategic company choices serves to channel collective energy to a common goal, consistent with company mission and guiding values.

In the case of external stakeholders, strategic communication activities are essential to shaping a single, clear company position in the minds of stakeholders as well as to developing a solid long-term reputation (Cornelissen, 2008). These studies stress the importance of coordinating all communication activities to ensure the coherence of messages sent and the strategic intent of the organization (van Riel, 1995).

Appropriate coordination between the departments and professionals responsible for communication reinforces this coherence when consideration is given to the content, tone, and style of the messages (Argenti, 2008).

The visioning component corresponds to the dimension, which Zerfass (2008, p. 70) defined as the enabling role of communication, meaning that communication facilitates the implementation of company decisions. In this case the CCO contributes by following the actual decisional momentum and exercising influence on the ways in which decisions are communicated and carried out. Communication helps govern the activities, mainly tactical in nature, which are necessary for the implementation of the decisions themselves. In fact, communication enables the decisional processes by transmitting their contents to interested parties, involving and motivating human resources, supporting the exercise of leadership, helping plan and organize the managerial and operational activities, and making it possible to check the results obtained. Some authors define communication strategy (Argenti, 2008; Cornelissen, 2008; Steyn, 2007) as that which makes known, inside and outside the organization, the decisions regarding company strategy and business objectives, focusing the energies of the organization’s internal and external members towards a shared goal (Fenton & Langley, 2011).

The visioning role includes the infrastructural role, traditionally attributed to communication, that is, the role of sustaining and supporting the company business (Kotler, 2001). It represents a crucial component as it substantially contributes to the efficacy and quality of the results in the decisional process. This component in the communication role does not, however, exercise influence on the content of the decision itself, but rather on the way in which the decision is carried out. The approach employs a functionalist matrix since it begins by asking which processes, structures, and communication systems are the most adequate and contribute the most to developing business decisions (Belasen, 2008).

Also, Hamrefors (2010) argues that a communicative leader has the specific role of mediator, that is, one who endeavors not only to transmit messages from outside to inside, but, above all, to create a common, comprehensible, shared meaning. In this particular case, the skill required is being able to negotiate and influence.

Pastificio Rana Case Study

Pastificio Rana is a successful maker of fresh pasta products, which in a few years has become a multinational corporation. The founder and current president, Giovanni Rana, has always made use of principles based primarily on communicative and relational objectives to govern his company and to lead it to success. Rana has always taken into serious consideration the communicative impact of every strategic choice in his most important strategic and operating decisions. He has always placed the relational and communicative aspects at the forefront of his decisions, even if they are of technical and commercial nature.

An example of a technical decision is the design and engineering of a machine to produce tortellini that would be very similar to home-made tortellini. And a decision was made to decline to enter the frozen foods market, not so much because the product would not have the same quality or be as pleasing to the palate as the fresh product, but rather because of the desire to maintain the
perception of high quality coupled with high price. This has always been a characteristic of Rana products in the eyes of the consumer, maintained by the company even at the risk of a lower share of the market.

Other examples can be mentioned to show that the Giovanni Rana, and his son and current CEO, Gian Luca Rana, have always considered relationships as very important tools in managing their company.

First, the relationship between father and son is a tribute to the founder’s ability to ensure gradual transition, without discontinuity, by activating a collaborative effort to transform the potential generational problem into generational synergy. This synergy is fundamental in facilitating the transition from a family-run to a managerial company: that is, to achieve what Giovanni Rana sees and defines as a boat run by two motors—a company able to grow and be successful in the face of international challenges.

The relationship with clients constitutes another important aspect, such as tortellini given away for free to potential customers as a way of promoting the product during the early phases of the company’s history. Recently, Gian Luca Rana sent invitations to dinner to important customers (directors of large retail companies) at his villa on Lake Garda, where Gian Luca himself and his managers do the cooking and serve the guests.

The potent integration of values and culture, rooted in relationships, is a characteristic strongly cultivated, first by Giovanni Rana, and later by his son Gian Luca, who have built a successful company, starting from a small artisanal business to its present status as an important multinational corporation (Invernizzi, Romenti, 2013).

Constituting

The interpretation of the information gathered, and the attribution of sense and meaning to it, is part of the process that Weick (1995) defined as organizational sense-making. By including communication in the dominant coalition, the process of sense-making gains a more complete and articulated outlook of the company and of all the interested parties within it.

The role of sense making can be utilized within the corporation, looking outside it, and can consist of pinpointing in advance the communicative aspects of decisions taken, of the strategic options the organization has at its disposal, and of the specific strategic objectives. In particular, the relevant aspects include the attitudes and behaviors of the stakeholders, and the resulting impact that strategic decisions can have on the quality of the relationship network and on the value of the corporate reputation. Sense making from the outside to the inside of the organization is also essential to understanding the impact and the consequences of issues on the decisional, productive and managerial processes.

In this case, communication becomes something more than an infrastructural component of the business. Scholars who define the theories of communication as constitutive of the organization (Cooren, Taylor, & Van Every, 2006; Putnam & Nicotera, 2009, 2010; Reed, 2010; Sewell, 2010) consider communication as a constituting element and process of an organization, and base their theories on Weick’s (1969) concept of organizational sense-making, according to which reality is created through a cognitive process of interpretation rooted in individual mental maps.

An organization is seen as a continuous entity constantly transforming the communicative actions of its members (Bisel, 2010; Cooren, Kuhn, Cornelissen, & Clark 2011; Kuhn, 2008). In this case, communication becomes something more than an infrastructural component of the business. It feeds the decisional process, influencing its contents even through reflective activities of analysis and interpretation of the internal and external context. Here the listening activity plays a different role from that of the enabling role of communication, where listening aims at aligning the communication of the decisions taken with the opinions and attitudes of the stakeholders.
The constitutive component plays a crucial role in the definition of the communicative aspects of decisions, completing the different ways in which communication contributes significantly to the corporate decision-making process.

Each of these components places special emphasis on given moments of the decisional, managerial and operational processes.

For instance, through the aligning component, the strategic contribution of the activities that build symmetric relationships with key stakeholders is particularly important in the initial phase of the decisional process, the phase that defines the problems which catalyze the attention of the management. The problems which give rise to the decisional processes should, in fact, be rooted in an ongoing interchange between the organization and its reference environment. It is in this interchange that the communication professional can play the role of activist and facilitator.

In particular, the activity of analysis and interpretation of the organizational context can contribute to formulating the strategic options available to the manager as well as guiding him or her towards the most suitable choice. Through such activities managers can, in fact, understand which dynamics within the organizational context may have an impact on the decisional processes and, at the same time, what the communicative consequences could be of the various options available.

Visioning and energizing components of communication can make a strategic contribution to the corporation respectively by making known to key interlocutors the contents of company strategy and of the most relevant decisions taken, and by creating a work environment that facilitates innovation. The professionalism of the communicator is in these cases important in selecting the language best suited for the desired effect as well as in selecting the most appropriate techniques, messages and instruments.

**Illycaffè Case Study**

According to CEO Andrea Illy: “The real problem for Illycaffè is that the company has always aimed at a quality product whereas the average person thinks of coffee as a product to be consumed at a cafeteria bar while standing and, frequently, in a hurry. This way of having a cup of coffee makes it difficult to reward quality and makes the consumer reluctant to pay a higher price” (Andrea Illy, personal communication, December 2009).

For a number of years the goal of Illycaffè has been to bring clients to appreciate the quality of its product and, at the same time, to establish a strong link with the company. For this reason, Andrea Illy has been working hard on the construction of relevance of the product for customers and building trust towards the company.

The construction of relevance means making customers perceive a cup of coffee as an object of desire to be satisfied through various pleasant sensations, starting with those of the palate to those of a relational, cultural and environmental nature. In other words, it means raising expectations so as to be able to appreciate the quality of the product.

Building trust means working on the reputation of the company so that its customers are aware of the fact that it guarantees high levels in terms of the quality of the product, the selection and roasting of the raw material, and the respect with which it approaches the environment, people, cultures and aesthetics.

Communication assumes a strategic relevance for Illycaffè in upholding both relevance and trust and in creating synergy between the two. This vision of the strategic component of communication brings out a particularly interesting dimension that can be defined as an entrepreneurial component in the scenario enactment, whereby communication is used in support of corporate strategy to create a scenario of business opportunities, as previously mentioned.

The entrepreneurial dimension in the scenario enactment through communication is the component Illycaffè expects from communication in order to sustain the entrepreneurial nature of the...
company which, according to the CEO and to company history, is quite clearly evident, resting as the company does on four conceptual pillars. The first of these pillars is the high quality of the product and service attained; the second is the construction of relevance for the customers of a high quality product; the third is the building of trust that has been developed to benefit the customers and is rooted in the reputation the company has built over time; and the fourth—the truly unique nature of the company and its products—resonates with the aforementioned three factors, and strengthens Illycaffè’s success.

An Entrepreneurial Communication Model

In this chapter we argue that entrepreneurial organization theories provide a conceptual framework which is useful in describing and evaluating the relevance of strategic communication. Adopting an entrepreneurial organization theory perspective allows us not only to describe the strategic role of communication as such, but also to describe the strategic role of communication in supporting the organizational decision-making processes. This means explaining the strategic communicative contents of the main organizational actions related to products, buildings and layouts, and the result of every significant managerial choice.

We have identified the most significant contribution made by the entrepreneurial organization theories (e.g., Busenitz et al., 2003) and we shall set out, now, the four dimensions best suited to interpreting and explaining the potentialities of strategic communication activity. Here we relate each of these four aspects of Entrepreneurial Organization Theory to one aspect of strategic communication, as shown in Figure 14.1.

By doing so, we elicit the entrepreneurial content of strategic communication. The result is what we call the entrepreneurial communication model, made up of aligning, energizing, visioning and constituting dimensions.

The four dimensions are not related to each other because each dimension must be evaluated by itself. Neither is there a specific point at which strategic communication begins to support and inform organizational decision making. Instead, as entrepreneurial organization theory and practice suggest, an entrepreneurial idea and activity can start from any phase or dimension of strategic communication and continue, following different paths.

![Figure 14.1 Four Dimensions of Entrepreneurial Organization Theory for an Entrepreneurial Communication Model](image-url)
First, entrepreneurial studies say that strategic decisions are modelled by a continuous gate-keeping activity and the creation of social interactions, both within and outside the organization, in order to generate support and to shape and develop new ideas. Entrepreneurial communication, by means of its aligning component, can support organizations in scanning the environment, implementing boundary-spanning activities, and building supportive networks of stakeholders.

The Granarolo case study is presented as an example of aligning activity, mostly devoted to engaging stakeholders, such as in shaping new guiding values, developing new products and reducing costs.

Second, successful organizations should be innovation-driven, and entrepreneurial studies stress how important it is that a company striving to be innovative uses its resources, competences and capabilities in innovative ways, promoting entrepreneurial behaviors among internal stakeholders. Entrepreneurial communication supports the energizing of internal collaborative networks to drive innovation through the processes of new combinations of existing resources, creation of capabilities, and spread of knowledge.

The Ferrari case study shows how the “Formula Persona” project, based on the involvement of all internal stakeholders, drove the company back to economic success after a long period of losses.

Third, entrepreneurial organization studies highlight the transformative leadership role performed by management in modelling corporate strategies, creating a vision and defining guiding values around organizational projects. Entrepreneurial communication, by means of its visioning component, can help organizations create and share their mission and values, and deliver coherent messages.

The Pastificio Rana case study is an example of the extent to which company vision is based on product quality as an ‘obsession,’ and on the relationships with stakeholders as a must, guiding every action and communication activity including advertising.

Fourth, entrepreneurial scholars argue that organizations cannot develop a perfect knowledge of environments, but should enact their selective environments before taking strategic decisions (Weick, 1995). Enactment activity implies that the environment in which an entrepreneurial organization works will be socially created and therefore that opportunities become real in the mind of the entrepreneurial members.

The enactment of selective environments to shape strategic decisions presupposes the development of the constituting component of entrepreneurial communication, according to which the organization is seen as a product in constant transformation as a result of the communicative activities of its members.

The Illycaffè case study is an interesting example of how and to what extent communication helped the company to enact the external environment, transforming the product, a “cup of coffee,” from a commodity into a high quality product.

Our conclusion is that each of the four dimensions of strategic communication shows a specific and relevant entrepreneurial content which allows us to formulate the entrepreneurial communication model. Our model is based on the discussion developed in this chapter on the conceptual relation between strategic communication and entrepreneurial organizational theories, and the empirical analysis of the four case studies. Further conceptual and empirical research is needed to consolidate the model.

References
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