

The Role of POSCO's Communication Division: Serving as an Authentic Messenger to Promote Business Activities and Consistent Messaging

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Objectives: The importance of communication in promoting a company's management philosophy and business outcomes to both internal and external stakeholders is growing. The purpose of this case report is to introduce how a company managed to shed its 50-year-old organizational culture by embracing a new management philosophy that helped to enable the transition.

Methods: This paper introduces global Korean steelmaker POSCO's new management philosophy, "Corporate Citizenship," which applies a systematic and strategic approach to communication, defined at both cultural and organizational levels, in media channel operations and content creation.

Results: POSCO's efforts demonstrated a successful communication alignment of management philosophy with organizational structure and departmental functions. Their corporate public relations organization comprises three departments: Public Relations (PR) Planning, PR, and Communication Content. In particular, integrated marketing communication efforts were adopted by rolling out a strategic portfolio of new media channels. As a result of POSCO's multi-modal communication efforts, performance statistics such as page views, subscribers, and interactions increased significantly.

Conclusions: Academic literature suggests that once an organizational culture has been established, it cannot be easily changed. However, by generating consensus and building understanding from a broad base of stakeholders, combined with strategic communication programs that contain authentic messaging, a significant impact can be created both inside and outside an organization.

Key Words: Management Philosophy, Corporate Citizenship, Media Channel, Digital Platform, POSCO

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Introduction

Corporate communication strategies have evolved to suit the needs of the times and specific business demands. Different companies across industry sectors shape disparate consumer communications strategies to fulfill their specific business objectives. In addition, the focus of communication also shifts with the times to align with evolving demands in corporate value, ranging from economic development to ESG (Environmental, Social, and Governance) management (Lancefield, 2022).

POSCO is a global Korean steelmaker founded in 1968.

Prior to the 1990s, it was widely recognized as a driving vehicle of Korean industrial development, seeking to “serve the nation through steelmaking.” As a nationally recognized business-to-business (B2B) enterprise, there was little need for POSCO to engage in consumer public relations (PR). However, when POSCO went public on the New York Stock Exchange (1994) and the London Stock Exchange (1995), its need for PR changed (Choi, 2018a). The listing gave POSCO a newfound interest in managing its reputation for positive market valuation, industry competitiveness, and a positive image in society. Therefore, the focus of its communication shifted to stakeholder engagement and corporate social responsibility.

Although POSCO was a household name in the steelmaking space, it lacked direct touchpoints to consumers and consumer businesses (POSCO, 2003). Despite the ubiquity of steel in automobiles, buildings, and furniture, little attention was paid to the material (steel) that went into these products. To the end-users, the business and brand of POSCO, as a steelmaker, were largely absent. Hence, direct communication to people, consumers, and stakeholders initially posed a steep challenge.

To create brand recognition, POSCO ran regular campaigns through TV advertisements beginning in 2000; the running slogan was “Keeping the World Moving Quietly.” In other words, the ads reminded consumers that unbeknownst to them, POSCO’s steel products were present wherever and whenever the world was made cleaner and more livable. The objective of these campaigns was to plant POSCO in the subconscious of the consumer population.

Building on this experience, when the current CEO Mr. Jong-Woo Choi took office in July 2018, POSCO developed the management philosophy of “Corporate Citizenship” to advance the shared purpose of a new era (Choi, 2018b). In the subsequent year, POSCO announced the POSCO Charter of Corporate Citizenship (the Charter) to provide the guiding principles. In July 2020, the Corporate Citizenship Management Standards (CCMS) was released as a guide to practicing the Charter.

The new philosophy marked the shift of corporate values from profit generation and financial performance to creating social value by engaging in corporate citizenship activities. The Charter’s main commitment reads: “POSCO, under its management philosophy of ‘Corporate Citizenship: Building a Better Future Together,’ will engage and communicate with all stakeholders, including customers, employees, and shareholders, and continually seek changes and innovation in pursuit of sustainability, thereby ultimately creating greater value for the company.”

The Charter defines a new role for communication; beyond the simple delivery of news or information, POSCO interacts

with stakeholders and creates authentic connections with the aim of building a relatable “corporate citizen” brand. CCMS defines communication as “(to) promote business activities authentically and serve as a communicator of consistent messaging.” This paper introduces POSCO’s new management philosophy, “Corporate Citizenship,” and analyzes its communication activities across its organization, media, and content.

Case Description

Management Philosophy and Organizational Culture

POSCO adopted the Charter, an illustration of POSCO’s commitment and principles, and the CCMS, a manual and guideline for practicing the Charter. The Charter and the CCMS help to incorporate the philosophy into the everyday business and daily activities of people at POSCO. The CCMS consists of 13 modules that cover all key aspects of business, society, and employees (POSCO, 2020) and guide POSCO Group employees toward making appropriate assessments and behaving in compliance with the values espoused in Corporate Citizenship (Figure 1).

CCMS also details how to practice the Corporate Citizenship management philosophy in “Communication,” one of the 13 modules. Under the CCMS, POSCO is committed to building the “Corporate Citizen” brand through authentic PR and

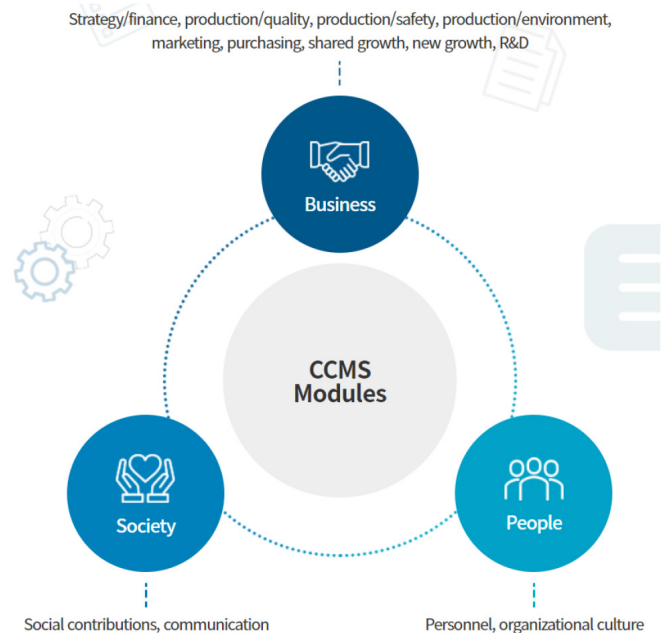


Figure 1. Structure of the Corporate Citizenship Management Standards (CCMS). Adapted from POSCO website (<http://corporate-citizenship.posco.com/citizen/eng/simin/s919e1000500c.jsp>). Copyright 2020 by POSCO.

consistent messaging with all stakeholders. Moreover, two-way interaction helps to elicit organization-wide support and networking (Table 1).

Organizational Structure and Functions for Internal and External Communication

POSCO's mid-term strategy is to create a more solid brand image of POSCO as a "centennial company which grows in harmony with society." In April 2021, POSCO established the Communications Division to enhance employee engagement and communication with external stakeholders (Kim, 2021). The Division combined PR and compliance organizations under the Management Support Division.

POSCO is a B2B company whose corporate PRs organization comprises three departments: PR Planning, PR, and Communication Content (Table 2). Through close collaboration, the three departments share the common objective of creating a 'Corporate Citizen' brand. The strategy used to carry out this objective is to customize communication by stakeholders' needs and to manage reputation through "one voice" consistent messaging across the POSCO's group of companies. Furthermore,

as stakeholders themselves, the Communications Division is responsible for both internal and external PR.

To keep up with recent trends, the departments are dedicated to developing digital platform-based communication to cater to Millennials and Generation Z. Therefore, styles and modes of communication are often unconventional and a departure from standard newspaper and broadcasting media campaigns.

Integrated Marketing Communications and Media Channels

External Communications Media

POSCO makes use of various communication channels. Owned media channels used for communication with stakeholders include YouTube (POSCO TV), Facebook, Instagram, LinkedIn, and POSCO's official website and blog (POSCO Newsroom). Table 3 summarizes the media channels and their content.

POSCO Newsroom

In particular, since the transformation from a video archive to "POSCO TV" in early 2019, the YouTube channel has posted helpful information and entertaining video content designed to

Table 1. 13 modules of the Corporate Citizenship Management Standards (CCMS)

Module	Description
Strategy/finance	Acting as a control tower that establishes sustainable group strategies, optimally allocates business resources, and manages and adjusts business risk and performance.
Production - quality	Creating customer value by securing product quality and cost competitiveness.
Production - safety	Creating a safe and happy foundation for living together as a whole.
Production - environment	Establishing a proactive and active low-carbon and eco-friendly production system.
Marketing	Driving customer success and developing an industrial ecosystem by creating symbiotic value with customers.
Purchasing	Going beyond economic sourcing, to sustainable sourcing.
Shared growth	Creating greater symbiotic value through Change Up Together.
New growth	Discovering, growing, and commercializing new businesses that align with the group's growth strategy.
R&D	Contributing to the success of internal and external customers through the timely development of the best products and solutions.
Social contribution	Creating a culture of voluntary participation and practice to solve social problems as a member of a social community.
Communication	Establishing a "Corporate Citizen POSCO" brand that all stakeholders can relate to.
Human resources	Fostering global model citizenship with dignity.
Organizational culture	Realizing a prestigious family that cooperates with each other and grows together.

Table 2. Structure of the Communication Division and its role and responsibilities

Department	Internal PR	External PR
PR planning	Develop strategies to inform and engage employees	Develop plans to improve media relations and publicity
PR		Manage PR issues and crises
Communication content	Design visual content to reinforce internal messaging	Create press and marketing kits and visual content

Note. PR, public relations.

Table 3. POSCO's major owned media channels and their content

Channel	Content	Open date	Subscriber/Follower (2023.01.)
POSCO Newsroom	Keeps key stakeholders—shareholders, customers, the press, and jobseekers—up-to-date on the latest stories and valuable information on POSCO · Official internal and external communication channel · Covers and reports POSCO's major news · Weekly newsletter	2018.04.	940K
YouTube (POSCO TV)	Features entertaining videos on POSCO's business activities to reach a broader audience · Video interaction channel targeting Millennials and Generation Z	2019.03.	560K
Instagram	Targets Millennials and Generation Z with concise texts and images · Visual interaction channel targeting people in their 20s–30s	2015.02.	34K
Facebook	Draws users to other owned channels via shared links · Focused on viral content (POSCO news)	2012.08.	650K

reach Millennials and Generation Z. POSCO Newsroom is an established brand journalism channel, from which major media outlets acquire information (Figure 2).

Created to ensure quality messaging, POSCO Newsroom covers a range of topics, including the latest developments in POSCO Group. Features include business performance highlights, Corporate Citizenship activities, and interviews with the staff and management. By sharing valuable industry insights and original analyses, POSCO Newsroom delivers timely topics that align with the Group's mid- to long-term business plan, helping to expand touchpoints. Rechargeable battery materials and hydrogen business topics have garnered considerable in-

terest, which underscores POSCO's new identity as a leader in steelmaking and eco-friendly materials of the future.

YouTube (POSCO TV)

The YouTube channel, POSCO TV, features recent developments at POSCO for public consumption (Figure 3). For example, its mid- to long-term sustainability campaign mixes fun and connection to inform Millennials and Generation Z about POSCO's core business interests and to enhance its sustainability branding. For example, the channel ran a thriller web-drama series on hydrogen-based steelmaking, green steel, and rechargeable battery value chains. There are four episodes, each

**Figure 2.** POSCO Newsroom. Adapted from POSCO website (<https://newsroom.posco.com/en/>). Copyright 2023 by POSCO.

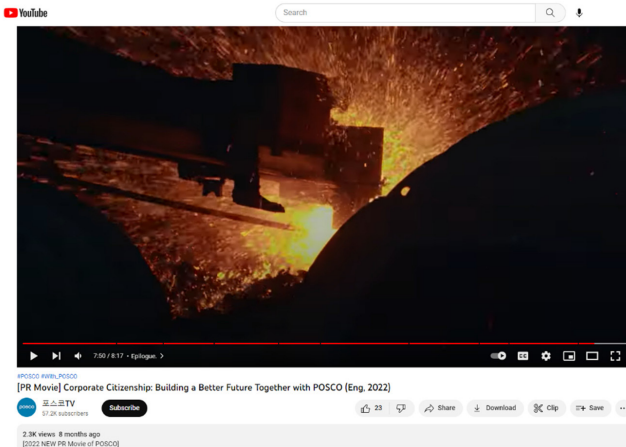


Figure 3. YouTube: POSCO TV. Adapted from POSCO TV YouTube (<https://www.youtube.com/watch?v=6xfzULYH3yA>). Copyright 2022 by POSCO.

running five minutes. The series uses Space Walk and Park1538 as backdrops, helping to promote POSCO's landmark structures.

Internal Communications Media

In addition to the aforementioned external communications media, POSCO-Today is an integrated online communication channel serving POSCO Group, and PBN (POSCO Broadcasting Network) is an internal broadcasting station. POSCO aims to strengthen group cohesiveness and helps to encourage networking through two-way interaction across ranks and generations. For example, when any negative publicity occurs, POSCO keeps its staff informed through balanced fact-centered reporting, which has resulted in improved employee morale, mutual respect, and greater compassion.

Strategic Approach to Content Creation

POSCO wishes to promote its Corporate Citizenship management philosophy and brand by developing key achievement content and consistent messaging. Amidst the complexities of technological developments, content must move beyond simple information and, instead, create authentic connections with stakeholders. As a result, POSCO brands Corporate Citizenship through business performance content to create connections between achievements and CSR-related activities.

Discussion

World Steel Dynamics (WSD) crowned POSCO as the world's most competitive steelmaker for 13 consecutive years among 36 contenders across the globe (POSCO Newsroom, 2023). WSD,

established in 1999, evaluates global steelmakers in 23 categories every year and announces their competitiveness rankings. POSCO scored a perfect 10 in seven categories, including eco-friendly technical innovation, higher-value products, processing cost, manpower capability, new growth business, investment environment, and national risk factors. It ranked first overall with an average of 8.5 points (out of 10 points).

POSCO also won major industry recognition and accolades, including a top governance rating from the Korea Corporate Governance Service, sustainability recognition from Dow Jones Sustainability Indices, transparency awards from leading Korean trade groups, i.e., Korea Enterprises Federation and the National Environmental Management Award. Such achievements reflect POSCO's ardent efforts to adapt its communication to the demands for effective stakeholder engagement.

POSCO's multi-modal communication efforts bore fruit in 2022, when its three social media accounts aggregated 710 thousand subscribers, which is the result of an 80% increase on YouTube and a 90% increase on Instagram from the prior year. Total traffic on POSCO Newsroom also rose 20% from 2021. This growth is owed to the prolific content creators at POSCO, who created an average of 60 posts per month, generating 2.92 million views and interactions (likes, comments, and shares).

In 2022, POSCO Newsroom recorded more than 2.1 million page views (PVs) by targeting the steel industry, media outlets, opinion leaders, and the global readership. Figure 4 illustrates the increase in PVs and subscribers over the last five years. From 2018 to 2022, the number of PVs increased 2.6-fold: 2.4-fold in Korean and 5.0-fold in English, respectively. The number of subscribers also increased 2.7-fold.

After POSCO TV fine-tuned its approach and target audience to Millennials and Generation Z, subscriptions grew 190% in just a year and a half, from 30,000 to 56,000 subscribers. In particular, the fastest-growing demographic was in the 18–24 age group, which showed a 200% increase (Figure 5).

When the brand character *Poseokho* became the storytelling narrator, Instagram audience engagements (likes, shares, and comments) grew eightfold on the same advertising budget as the prior year, while an influx of followers boosted the channel's following by 220% in just a year (Figure 6). *Poseokho* is a character developed by university students through a global advertisement talent cultivation project curated by the Ministry of Culture, Sports and Tourism (POSCO Newsroom, 2021). In response to the question of how POSCO could communicate with Millennials and Generation Z, it was suggested that the character have interesting and friendly communication features, while maintaining the existing trustworthy image. Boosted by the newfound popularity among teens and twenty-somethings,

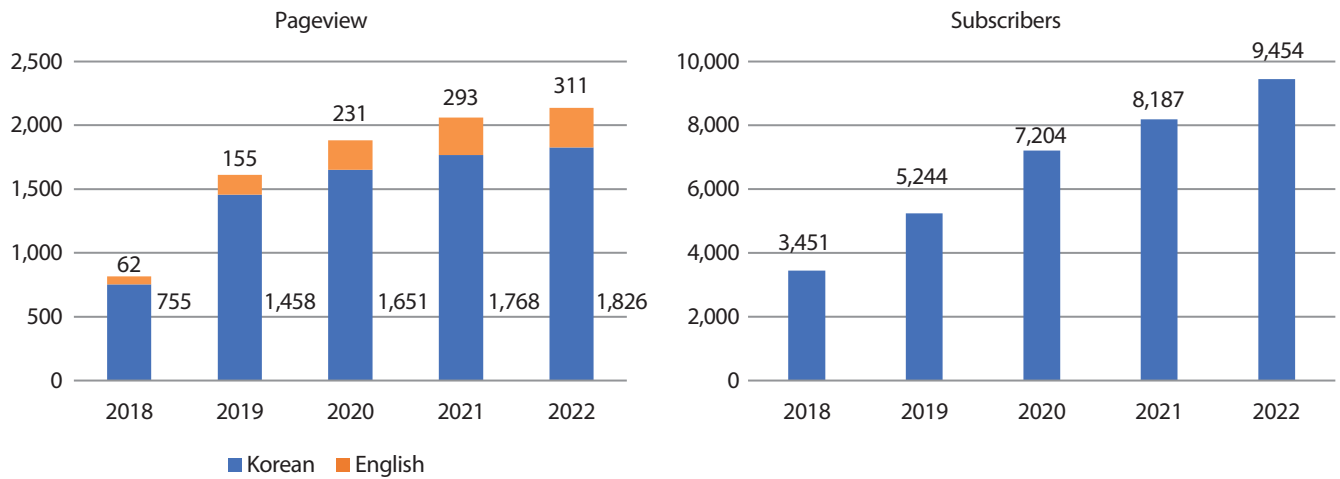


Figure 4. Performance of POSCO Newsroom. Pageview, displaying values in units of thousands.

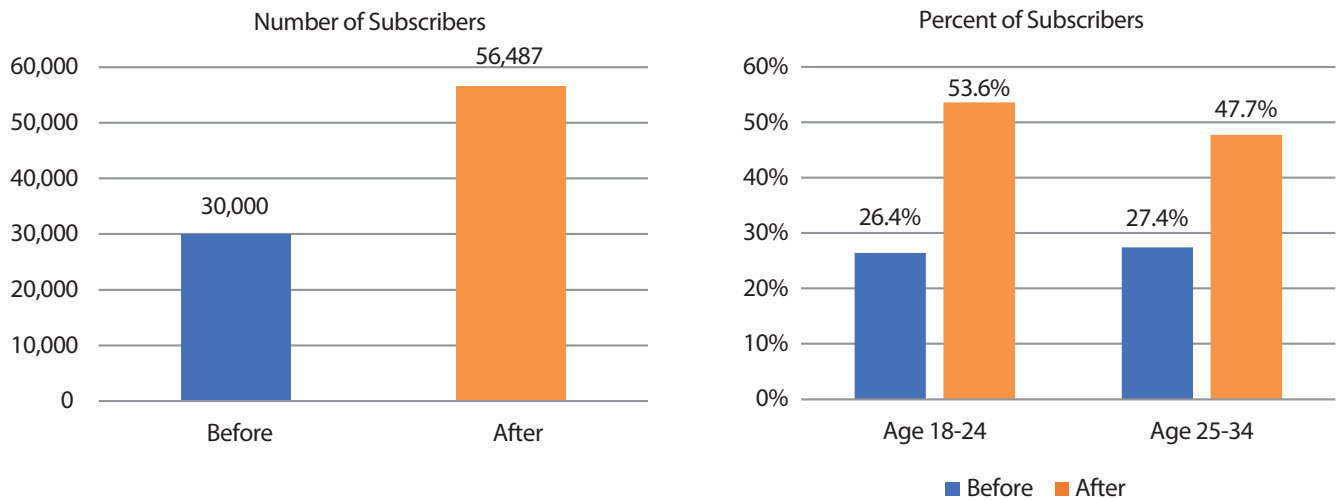


Figure 5. YouTube subscribers.

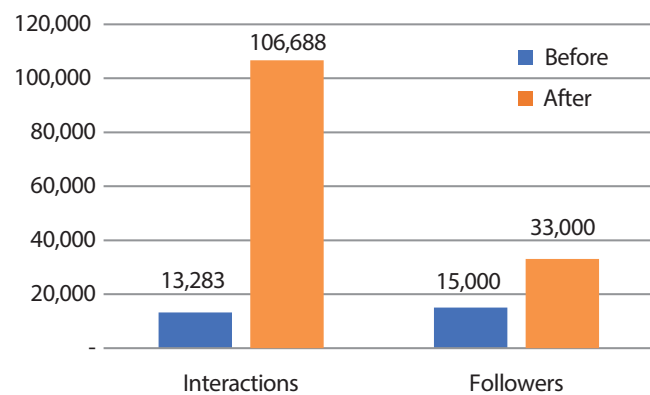


Figure 6. Instagram interactions and followers before and after the introduction of *Poseokho*.

POSCO’s Instagram account took on a life of its own.

As shown in Figures 4–6, POSCO has maximized its communication impact through strategic PR tailored to each digital platform. As a communication hub for POSCO Group, POSCO Newsroom plans to reach a wider audience through in-depth features and dynamic storytelling on environmental, social, and governance concerns and industry trends.

Conclusion

Published literature suggests that an organizational culture, once formed, cannot be easily changed. However, a management philosophy that has earned consensus and understanding from a wide base of stakeholders, combined with strategic communication efforts that deliver authentic messaging, can create

considerable impact inside and outside the organization. Therefore, we must develop appropriate content for the management philosophy to communicate across organizational structures, job functions, and generations.

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