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The Case Study of the Leadership Communication Role in Boosting Employee Engagement and Other Employee Outcomes within a Multi- national Corporation

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Year of defense:

2015

Affidavit

I declare that the thesis called “The Case Study of Leadership Communication Role in Boosting Employee Engagement and Other Employee Outcomes within Multinational Corporation” has been written by me and any used information sources are properly cited and listed in the bibliography.

Jindřichův Hradec, on April 29th, 2015

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Diploma thesis title:

The Case Study of the Leadership Communication Role in Boosting Employee Engagement and Other Employee Outcomes within a Multinational Corporation

Abstract:

The thesis focuses on the role of leadership communication within a multinational business organization. It aims to confirm the critical importance of communication provided by leaders to their team members. The literature review will focus on the existing communication flows within organizations and the current research results and insights in the field of leadership communication, which is a new, emerging domain of study. Thanks to recent quantitative research (Men, 2014b), it has been already confirmed that leadership communication has a direct effect on employee-organization relationships and overall internal communication. However, qualitative research has been suggested for validation of how the discovered model works in concrete environments (Men, 2014b). Thus, the research section will reveal the findings of in-depth semi-structured interview analysis within a global internal IT services provider which is part of a Group enterprise operating in the logistics industry worldwide. The thesis will culminate in defining logical reasoning for adding communication skills to the company's core competencies for organizational managers and leaders.

Key words:

Internal communication, employee engagement, leadership, management

Název diplomové práce:

Případová studie o roli komunikace lídrů v posílení zaměstnanecké angažovanosti a podobných efektů v prostředí mezinárodní korporace

Abstrakt:

Diplomová práce se soustředí na roli komunikace lídrů v prostředí mezinárodní obchodní organizace. Cílem je potvrzení kritické důležitosti komunikace se zaměstnanci zprostředkované manažery. Teoretická část se zaměřuje na popis komunikačních proudů a procesů ve společnostech, výsledky aktuálních výzkumů a poznatky z oblasti komunikace organizačních lídrů, což je nově vznikající disciplína. Díky výsledkům nedávného kvantitativního výzkumu (Men, 2014b) bylo již prokázáno, že komunikace lídrů má přímý vliv na vzájemný vztah zaměstnance a společnosti a zároveň i na celkovou úroveň interní komunikace. Pro ověření fungování představeného modelu v konkrétním prostředí byl navržen kvalitativní výzkum (Men, 2014b). Praktická část proto odhalí nová zjištění opatřená analýzou hloubkových polo-strukturovaných rozhovorů se zaměstnanci globální společnosti. Tato společnost je interní dodavatel IT služeb v rámci obchodní skupiny. Diplomová práce kulminuje argumentací pro zařazení komunikačních schopností do celoskupinových kmenových kompetencí pro organizační lídry.

Klíčová slova:

Interní komunikace, zaměstnanecká angažovanost, vůdcovství, management

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1 Introduction

Communication plays an important role in organizations and has been proven by successful companies applying effective communications strategies (Kalla, 2005). Internal communication has to be a leadership priority because it creates employee involvement which then leads to competitive advantage (Grates, 2004). Communication's role is becoming critical in the case of big or multinational enterprises where complexity rises exponentially (Whitworth, 2011). However, Kalla (2005) identifies a theory – practice gap here: Despite an increasing awareness concerning the importance of communications, it is not yet seen as principal competency.

The evidence of such importance, i.e. the critical role of internal communication – and by extension leadership communication – within companies, has been demonstrated by different positive employee outcomes. Drawing from Men's (2014b) recent research, it has been proven that transformational leadership and symmetrical communication have direct and indirect effects on employee-organization relationships, employee organizational advocacy or employee satisfaction. Other researchers highlight that effective internal communication (including leadership communication) helps create and reinforce employee engagement (Berger, 2008; Mishra, Boynton & Mishra, 2014; Welch, 2011). However, Mishra, Boynton and Mishra (2014) also claim that Public Relations executives should serve as coaches in their organizations and train managers to communicate better with their team members. Quirke (2009, p. 231) clearly states that “the key to creating employee engagement lies with a company's leaders”. This finding also highlights the irreplaceable role of leadership communication.

The thesis aims at exploring existing evidence of the importance of leadership communication, one of the main components of internal communication, and consequently applying this evidence in a concrete, multinational business environment. The newly obtained findings should fulfill two main goals: **1)**, to create a supportive argumentation for adding communication skills into the leadership core competencies framework of a multinational corporation (MNC) and **2)**, the findings of the study should then contribute to the existing knowledge by enriching and deepening the conceptual model of the impact of transformational leadership on symmetrical internal communication and employee outcomes (Men, 2014b). Such case shall be performed via qualitative research inside the MNC in scope. The chosen method is based on in-depth, semi-structured interviews conducted with nine employees of the MNC.

2 Literature Review

The following sections first review the current literature on internal communication, followed by leadership styles and finally on leader communication itself. Then the focus will turn to a discussion of synergies and interdependencies between internal and leadership communication with special emphasis on their common outcomes. In the last sub-chapter, the current assessment of leadership communication worldwide will be provided based on various research analyses and best practices.

2.1 Internal communication

2.1.1 Towards the definition

As Hart (1998) states, when doing research there should be always an awareness of the different terminology used. In the present field, numerous different terms to describe internal communication can be found. To bring a few examples, Argenti (1996, 1998) uses the term *employee relations* and *employee communications* respectively; Kalla (2005) is proponent of *integrated internal communications*; Men uses both *internal public relations* (2014a) and *internal communication* (2014b), Grates (2015) refers to *organizational communication*. This paper will adhere to the term *internal communication* as *communication* in singular form is considered as the social process of personal interaction while *communications* in the plural is used to indicate the channels and ways for this process to be facilitated (Spence, 1994).

Internal communication is usually seen as a subarea of Public Relations (PR) and it has gone through very turbulent evolution in the past few decades. Argenti (1996, p. 77) summarized its early period: “As problems in 1970s developed outside of companies requiring more than a simple internal PR function supplemented by the outside consultant from a PR firm, the roots of the new corporate communication function started to take hold”. As companies started to grow in size, complexity or worldwide, the need for a formal internal communication program or function is rising (Whitworth, 2011).

According to Deetz (2001), there are two ways how internal communication can be described: First, as a phenomenon that exists in organizations and second, as a way to describe and explain organizations. These definitions are very high-level and include both managed and “grapevine” communication in organizations. Kalla (2005, p. 304), the proponent of integrated internal communication, shares this

overall perspective and defines internal communication as “all formal and informal communication taking place internally at all levels of an organization”. Berger (2008) highlights the *connecting* aspect of internal communication and asserts that it is essential to coordinate activities which are vital for various processes such as socialization, decision-making, problem-solving and change management. Here, internal communication is considered as any kind of communication concerning company’s culture (values, traditions, habits, etc.), strategy (goals, aspirations, initiatives, programs, projects, etc.) and people (employees, managers, leaders, investors, partners, etc.) taking place within organizations.

2.1.2 Components of internal communication

In the framework of organizational, internal and strategic communication, the issue of leadership communication is comparatively new and has not been addressed very often (Mast & Huck, 2008; Zeffass & Huck, 2007). To discover the main components of internal communication and to understand the position of leadership communication within the field, this study will explore three different recently created models of internal communication proposed by scholars of this emerging domain.

The first model to explore was created by Kalla (2005) – see Figure 1. It emphasizes the multidisciplinary approach she proposes. The components – called “domains” by Kalla (2005) – are supposed to offer different perspectives to the study of internal communication as they contain unique features. Kalla (2005, p. 305) explains the individual components: “**business communication** addresses the communication skills of all employees, **management communication** focuses on the development of the managers’ communication skills and capabilities, **corporate communication** focuses on the formal corporate communication function, and **organizational communication** addresses more philosophically and theoretically oriented issues”. The main purpose of this integrated model lies in recognizing that both theoretical and practical components guide the practice of corporate communication experts and all employees when fulfilling their communication tasks (Kalla, 2005).



Figure 1 – Conceptual framework of integrated internal communications by Kalla (2005)

The following approach – the internal communication matrix (see Table 1) – formulates internal communication from the standpoint of stakeholders: “it differentiates stakeholder groups while simultaneously providing a means to focus on all employees” (Welch and Jackson, 2007, p. 183).

Table 1 – Internal communication matrix by Welch and Jackson (2007)

Dimension	Level	Direction	Participants	Content
Internal line management communication	Line managers /supervisors	Predominantly two-way	Line managers - employees	Employees’ roles personal impact, e.g. appraisal discussions, team briefings
Internal team peer communication	Team colleagues	Two-way	Employees - employees	Team information, e.g. discussion of team tasks
Internal project peer communication	Project group colleagues	Two-way	Employees - employees	Project information, e.g. project issues
Internal corporate communication	Strategic managers / top management	Predominantly one-way	Strategic managers - all employees	Organizational / corporate issues, e.g. goals, objectives, new developments, activities and achievements

The last model to be presented was created by Whitworth (2011) and consists of 3 “building blocks” (see Figure 2). Whitworth (2011, pp. 195 – 196) summarizes his proposed internal communications program: “**hierarchical communication** – chief executive officers (CEOs), vice presidents, directors, managers, and frontline supervisors play key roles in the communication process; **mass media communication** – newsletters, e-mail, videos, blogs, and other vehicles reach broad employee audiences; **social**

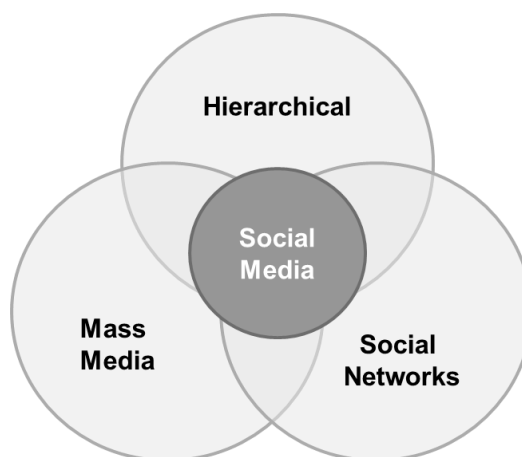


Figure 2 – Building blocks on an internal communications program by Whitworth (2011)

networks – invisible communicators who organically spread the word”. Besides these three building blocks, there is also an overarching element called “**social media**” – e.g. LinkedIn, Twitter, YouTube, etc. (Whitworth, 2011).

Reflecting on the presented models, it could be argued that the recent body of knowledge doesn't offer a straightforward explanation of the position of leadership communication in the internal communication framework. Although many references to leadership in an organizational communication context can be found in current publications, the approach has not been fully implemented by communication science yet (Mast & Huck, 2008). What can be found relatively easily are guidebooks offering rather pragmatic, “how to” tips for leaders to manage their team members (e.g. Barrett, 2013; Caroselli, 2000).

When looking for a linkage between internal and leadership communication, both functional and instrumental perspectives must be considered (see Table 2). On one hand, the functional perspective explains what leadership communication can bring to the internal communication framework, what functions it can fulfill. On the other hand, the instrumental perspective describes how leadership communication can fit into the internal communication framework (Mast & Huck, 2008).

Table 2 – Internal and leadership communication linkage – adopted from Mast & Huck (2008)

Functional Perspective	Instrumental Perspective
Vision as a “frame of reference”	Disseminating information (e.g. in the framework of informational cascades)
Initiating and shaping change	Supporting established media (follow-up, face-to-face-communication)
Forming corporate culture and identity	Independent channel of internal communication
Creating “value links” to orientation tags	

Framing the existing theory of internal communication, leadership communication is not fully neglected in the field of study. However, its position within the internal communication framework is not settled yet. For the purposes of this study, a synthesized model of leadership communication characteristics based on the previously presented concepts is proposed (see Table 3).

Table 3 – Conceptual model of leadership communication’s inclusion into the internal communication framework

Proponent	Component / dimension of internal communication in scope of leadership communication	Identified characteristics of leadership communication within internal communication framework
Kalla (2005)	Management communication	<ul style="list-style-type: none"> • Participants: All levels of managers and all employees • Content: Organizational, strategic and tactical issues (overall impact), operational issues (personal impact) • Focus: Development of knowledge sharing skills of managers (e.g. letter writing, oral presentations, listening, etc.)
Welch & Jackson (2007)	Line management & corporate communication	
Whitworth (2011)	Hierarchical communication	

2.2 Leadership and leadership communication

Many executives, managers and leaders dedicate a lot of time to developing their strategies and little time on communicating those (Weiss & Molinaro, 2008). One of the problems at many companies is that senior management doesn’t involve other employees in the decision-making process (Argenti, 1998). On the other hand, nowadays all employees need to be proactive and know where to find information (Grates, 2004). Of course, if the logical prerequisite of having the information available is already fulfilled, we are led back to the shared responsibility of organizational leaders and corporate communicators.

As noted by Hackman & Johnson (2009) and cited in Berger (2014, p. 4), “leadership is fundamentally a communication process used by individuals to achieve specific goals or needs”. Grates (2015) adds that communication is the most important component of any management model but still it is very often overlooked in the corporate world. Therefore, it implies that without communication, there wouldn’t be any kind of leadership.

2.2.1 Leadership vs. management?

At this point, it is once more essential to clarify the terminology used. There is a possible misunderstanding due to different opinions of scholars and practitioners about whether leadership and management is the same or not.

Warren Bennis¹, the leadership guru, is one of the well-known proponents of differentiating between leadership and management. Bennis and Nanus (1985) even view leadership as a more comprehensive term than management. On the other hand, Mintzberg (1971) described leadership as one of the managerial roles. McCartney & Campbell (2006) confirm this theory by asserting that the term “manager” is more inclusive than “leader”. Kotter (1990) offers another perspective and argues that both leadership and management skills are necessary for any corporate executive. For instance, he compares the managerial activity of *organizing and staffing* to the leadership activity of *aligning people* by communicating the new direction. According to Kotter (1990) this could imply that communication responsibilities and tasks are more closely tied to leadership than management.

To complement the critical standpoints, McCartney & Campbell (2006) propose that there is a distinction between different aspects of leadership itself: the *interpersonal aspects of leadership* (i.e. communicative activities in interpersonal relationships), and the *managerial aspects of leadership* that includes non-interpersonal activities (e.g. planning, organizing, decision-making, problem-solving, and controlling) and is often called “management”.

Taking into consideration the complexity and misalignment of the terminology used by academics and professionals, this paper refers to *leadership* communication as communication triggered or disseminated in the name of both leaders and managers. When referring back to McCartney’s & Campbell’s (2006) definition, the focus of this study will be placed on the first of the two above mentioned leadership aspects – the interpersonal communicative behaviors – no matter whether performed by “manager” or “leader”.

2.2.2 Leadership styles

However, there is neither a single possible and correct communication style, nor is there just one leadership style. Different styles of leadership have a direct impact on the communication styles of leaders (Whitworth, 2011). Thus, it is needed to

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¹ H-index: 70 (The h-index is an index that attempts to measure the citation impact of an author.)

identify and distinguish these leadership styles to understand how they affect leadership communication.

There are many views on leadership and their classification in different fields of study spans management and public relations research. Nevertheless, there seems to be one prevailing opinion within the public relations field which is based on Avolio's & Bass's (1997, 2001) ordination of leadership behaviors or styles into two, respectively three, styles: transformational, transactional, and so called "non-leadership". For a certain simplification, only the first two styles will be considered further.

Transformational leadership is characterized by engaging followers in the decision-making process and close interaction (Men, 2014a). Transformational leaders motivate by addressing their subordinate's *higher needs* (Avolio & Bass, 1997) and often possess a significant portion of personal charisma (Men & Stacks, 2013). Mast and Huck (2008) highlight another important attribute: As is apparent from its name, transformational leadership should boost transformation, i.e. to enable the development of subordinates. Bennis & Nanus (1985, p. 36) even insinuate that the transformational leader is the one "who converts followers into leaders". In summary, transformational leaders behavior is framed around these four components: Idealized influence, Inspirational motivation, Intellectual stimulation, and Individualized consideration (Bass, Avolio, Jung & Berson, 2003). Sometimes "transformational" leadership is also called "transformative" (Bennis & Nanus, 1985; Mast & Huck, 2008) or "charismatic" (Behling & McFillen, 1996; DeGroot, Kiker, & Cross, 2000).

Transactional leadership is often described as an "exchange process" (Men & Stacks, 2013, p. 174). This leadership style may manifest in three different ways: "contingent reward behavior, passive management-by-exception, and active management-by-exception (a form of monitoring)" Yukl (1999, p. 36). Contingent reward is based on *constructive* transaction whereas management-by-exception is based on *corrective* transaction (Avolio & Bass, 2001). Transactional leaders motivate their subordinates by appealing to desires founded on economic transactions – *lower needs* (Men & Stacks, 2013).

According to Bass's & Avolio's (1997) research results, transformational leadership is a dominant leadership style among modern managers. However, Yukl (1999) questions the validity of such findings and argues that he faced a different reality in his own work experience. Yukl (1999) also adds that it is very rare to encounter a solely transformational or transactional leader.

Regardless of the concerns about the conceptual broadness and validity of transformational leadership (expressed by Yukl and others), research on transformational leadership has confirmed its high effectiveness (Men, 2014b). Moreover, thanks to its nature of focus on relationships and knowledge and information sharing, it is likely to expect positive implication on internal communication. Mast and Huck (2008) consider leadership communication a communication approach to leading. Therefore this paper will maintain its focus mainly on the transformational leadership style. Nevertheless, Men & Stacks (2013) also assert that both transactional and transformational leaders can be effective leaders.

2.2.3 Leaders as communicators: main roles and purpose of leadership communication

According to Mintzberg (1971) and his extensive observational research conducted in 1960s, there are three main groups of management roles within organizations: Interpersonal, Informational, and Decisional. As presented in Table 4, there are ten roles within these three roles types and at least six of them can be directly linked to communication (marked in blue), i.e. it is necessary to possess and employ good communication skills to successfully perform these roles.

Table 4 – Manager's work roles, adapted from Mintzberg (1971)

Managerial roles	Description
Interpersonal skills:	
1. Figurehead	Manager is seen as a symbol of the organization.
2. Leader	The most widely recognized managerial role.
3. Liaison	Manager should put emphasis on horizontal (symmetrical) communication.
Informational roles:	
4. Nerve Centre	Manager as the focal point for movement of non-routine information.
5. Disseminator	Manager as transmitter of information towards his subordinates.
6. Spokesman	External exposure of managers to represent the organization.
Decisional roles:	
7. Entrepreneur	Manager as designer of controlled changes.
8. Disturbance handler	Managers' ability to deal with unexpected changes.
9. Resource allocator	Managers as allocator of any kind of resources.
10. Negotiator	Managers' involvement in negotiation activities.

As the previous sub-chapters addressed, it is argued and demonstrated by many researchers and experts, that communication is one of the main roles of managers and leaders. For leaders, it is also essential to gain the trust of employees. To increase trust and address the negative impact of distrust, leaders need to employ communication (Shockley-Zalabak, Morreale & Hackman, 2010).

Before going deeper into leadership communications dynamics which will explain its main role and purpose, it is convenient to point out a few underlying facts about leadership communication. Findings from Madlock's (2008) research show that communicatively competent supervisors are likely to be perceived as true *leaders* by their subordinates. As mentioned by several scholars and not surprising at all, some leaders are naturally good communicators while others need to acquire such ability (Mast & Huck, 2008; Whitworth, 2011). This necessity is growing stronger when contemplating the research that revealed that immediate supervisors are the preferred source of information (Whitworth, 2011; Men, 2014a) and have more credibility with employees than top management (Whitworth, 2011). Summarizing what has been written so far, "leaders play a galvanizing role in internal communication" (Men, 2014a, p. 17).

Why leaders communicate

Mast's and Huck's (2008) perception of leadership communication is twofold: leaders as "change agents", who need to facilitate the process of change to their followers via communication and leaders as "role models" transmitting organizational culture and identity. Leaders should promote commitment, a sense of belonging to organization and ultimate organizational goals using leadership communication (Welch & Jackson, 2007). Acknowledging the constant need of improvements to achieve a competitive advantage, leaders today have to also work as "communication promoters" of innovations and so as to enable innovation within an organization (Zerfass & Huck, 2007). Whitworth (2011) adds to this list another important perspective – leaders need to communicate to engage their followers in the decision-making process and increase the possibility that they will become the advocates of such decisions. Some of the already mentioned reasons for leadership communication's existence can be also seen as its outcomes. These will be discussed in more detail in chapter 2.3.

How leaders communicate

When exploring the ways of leadership communication, it is crucial to take into account that transformational leaders interact with their followers on daily basis. Thus, leadership communication represents a mediator of symmetrical communica-

tion in organizations (Men, 2014a). Nevertheless, this can only be possible if managers make sure that the provided information moves smoothly to their subordinates and further down to the last hierarchical level (Whitworth, 2011). Men's (2014a) study also revealed that the communication channel most used by transformational leaders is face-to-face communication as it is the richest and most optimal medium for sharing complex information. However, Welch and Jackson (2007) express a concern that expecting this type of communication to be predominantly conducted as face-to-face is rather unrealistic. When comparing face-to-face leadership communication to other channels though, we must admit that it offers the widest possibilities, e.g. immediate feedback, possible further contextual explanations, reactions sharing, etc. (Mast & Huck, 2008).

What leaders communicate

Whitworth (2011) states that most employees expect that important company information will come from their direct managers and that they will also provide a broader context. Examples of such important information can be new corporate decisions, planned or emerging changes, events, policies, etc. (Men, 2014a). Immediate leaders should also be the source of information related to individual job affairs of a concrete employee as they are the only ones who can explain changes in a job profile, set individual targets, evaluate performance, etc. (Welch & Jackson, 2007). The leader is also the one who should be able to articulate the direction and show his/her direct reports the purpose of their work (Zerfass & Huck, 2007). In the framework of internal communication, management is often relied upon to perform an *informational cascade* – all organizational supervisors should play an instrumental role in both top-down and bottom-up communication regardless of the content of such information (Mast & Huck, 2008). As previously mentioned, a leader's communication role is getting even more attention when communicating innovations. According to Zerfass & Huck (2007), contemporary leaders have a new communication challenge: they are obliged to provide the meaning of new approaches, processes and ideas to their followers.

2.3 Internal communication and leadership communication interdependencies and outcomes

2.3.1 Internal and leadership communication interdependencies

As leadership communication is a newly emerging field of study (Mast & Huck, 2008), only very few publications treating its interdependency within the broader framework of internal communication can be found. There are numerous researchers arguing that leadership communication is a sub-area of internal communication (e.g. Kalla, 2005; Mast & Huck, 2008; Welch & Jackson, 2007 & Whitworth, 2011), however only Mast & Huck (2008) defined several clear mutual influences or interdependencies which are crucial to understand before exploring their common employee and business outcomes.

Mast & Huck (2008) maintain that in order for an interconnected internal corporate communication system to work, the following synthesized relations between leadership and internal communication must be in place:

1. Leadership communication is dependent on internal corporate communication in terms of communicating the most important messages towards the internal audiences as a first reference and creating general awareness. Also, leaders rely on the internal communication function to offer them as much information as possible and ideally prior to the official internal communication being published in order to prepare themselves the informational cascade or for potential questions from their followers.
2. On the other hand, internal corporate communication is fully dependent on leadership communication (i.e. communication performed directly by leaders without internal corporate communication involvement in this case) to give the centrally communicated key messages departmental or individual contexts. These contexts are necessary for better understanding and cannot be delivered via internal mass communication. However, it is important to consider that leadership communication is less controllable than other channels of internal corporate communication. Firstly, it is because this communication is habitually taking place face-to-face. Secondly, organizational leaders and managers may occasionally pursue different interests than those of the top management or the internal corporate communication function.
3. There is also a third area where internal and leadership communication can be seen as “one and the same thing”. These are usually the cases when the internal corporate communication function supports the organ-

ization's top management and therefore the audience may perceive this communication as coming from one source.

Having discussed these remarks, it can be assumed that the third point especially indicates that a common evaluation of both leadership and internal communication altogether by employees is possible and in certain cases is rather usual. In cases when leaders actively play the roles of communicators (usually via face-to-face communication), symmetrical top-down and bottom-up communication is the direct mediator and determinant of success. Thus, when evaluating the outcomes of internal and leadership communication, it is not always possible to strictly determine whether the effect was caused by the leadership style or applied communication style of a leader. The outcomes described and examined below will therefore represent the outcomes of both leadership and internal communication within organizations.

2.3.2 Employee outcomes

Employee Engagement

This popular and largely expanded term in the last decade has been used more frequently by practitioners or consulting firms than in the academic field (Saks, 2006). Welch (2011) also states that communication scholars haven't started to study the concept of employee engagement yet. Nevertheless, there are already several researchers claiming that leadership skills and communication have a direct impact on employee engagement (e.g. D'Aprix, 2011; MacLeod and Clarke, 2009; Mishra, Boynton & Mishra, 2014; Welch, 2011). Despite the evidence offered by these authors, Saks (2006) didn't discover the direct effect of "perceived supervisor support" on employee engagement even though he had previously hypothesized it in his conceptual model of employee engagement antecedents.

Employee engagement can be seen as "the amount of cognitive, emotional, and physical resources that an individual is prepared to devote in the performance of one's work roles and is contingent on the economic and socio-emotional resources received from the organization" (Saks, 2006, p. 603). This implies that when an organization wants to engage its employees, it has to offer different types of resources to employees in return. Welch (2011) argues that internal communication (which includes leadership communication) can be considered such a resource at individual, team or organizational levels. However, Saks's (2006) research found that the most significant antecedent of employee engagement is perceived organizational support (i.e. when employees perceive their organization as caring and valuing their contributions) and job characteristics (e.g. skills variety, autonomy, task sig-

nificance, etc.). D'Aprix (2011) maintains that openness and constantly available information lead to the concept of shared power between leaders and employees. This shared power then enables employee engagement.

Mishra, Boynton & Mishra (2014) interviewed internal communication professionals in order to find out how employee engagement can be linked to the internal communication field. This study revealed that one of the ultimate goals of these professionals was promoting employee engagement. They achieve this by facilitating open dialogue across their organization, which they also see as the *focal point* of their activities (Mishra, Boynton & Mishra, 2014). Another important finding was that communication professionals should become coaches for managers so as to promote open dialogue, feedback and active listening. Nevertheless, an obvious limitation of this research has to be recognized, namely that it only offers the perspective of internal communication executives and no empirical evidence.

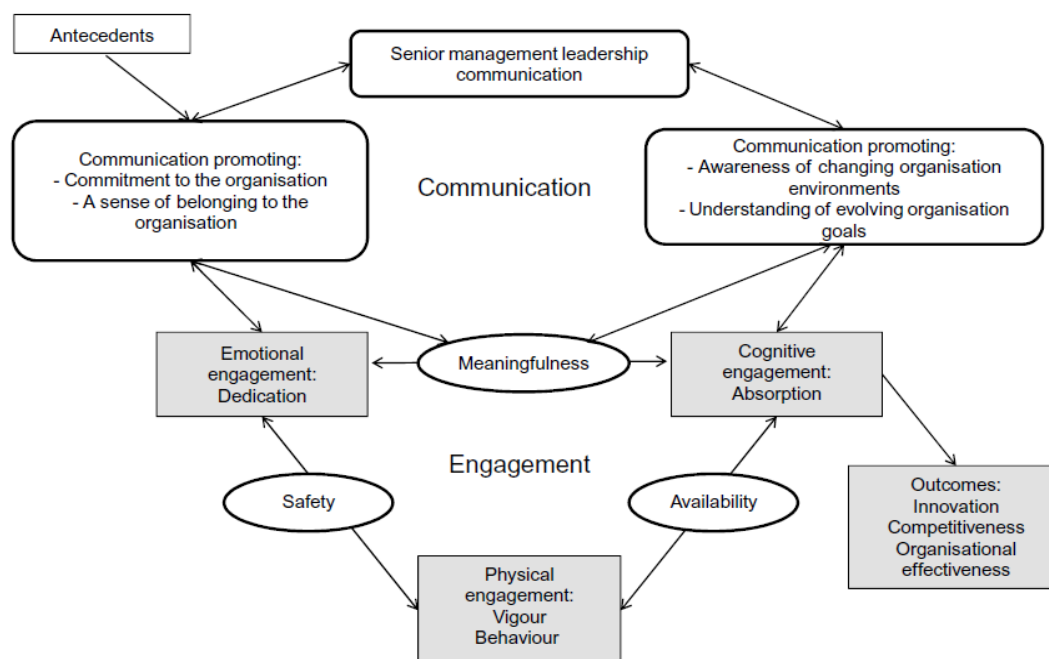


Figure 3 – Conceptual model of employee engagement and internal communication by Welch (2011)

Welch (2011) undertook an extensive literature review on employee engagement and adopted communication perspectives to study this construct. This approach allowed her to develop a new model of employee engagement and internal corporate communication (Figure 3). Welch (2011, p. 339) is convinced that employee engagement is “influenced by internal communication, it is an organizational practice with the potential to effectively convey the value of the organization to all employees, and involve them with the goals of the organization”.

As seen in Figure 3, Welch's (2011) model, like that of Saks's (2006), works with employee engagement antecedents and consequences or outcomes. Also, internal communication in this model is mainly leadership communication and is positioned as a mediator for both engagement antecedents (left hand side – commitment and sense of belonging to the organization) and communication outcomes (right hand side – awareness and understanding). However, Welch (2011) doesn't consider employee engagement the final outcome of leadership communication. Instead, she insinuates that engagement then facilitates innovation, competitiveness and organizational effectiveness as the ultimate outcomes of effective internal corporate communication.

D'Aprix (2011) denotes team leaders, supervisors, and managers as the most significant influencers of employee engagement, which implies that the most powerful communication within an organization is the one between employees and direct supervisors. D'Aprix (2011), in accordance with Mishra, Boynton & Mishra (2014), also emphasizes the critical role that communication professionals have to play in helping all organizational leaders to get the messages through. However, leaders have to be proactive and be held accountable for their behavior to make this happen (D'Aprix, 2011).

Trust

Dirks & Ferrin (2002) identified another organizational construct which can be seen as leadership outcome. They proposed a framework in which they defined the antecedents and outcomes of trust in leadership. Overall, the antecedents are based on leaders' actions and practices (one of the studied antecedents was also directly transformational leadership), follower attributes and relationship attributes. Trust is not considered as the final outcome but rather a mediator of further organizational outcomes (e.g. job performance, satisfaction, organizational commitment, etc.). Dirks & Ferrin's (2002) meta-analysis provided evidence suggesting that leadership style and management practices might increase trust in leadership. Concretely, it was in particular transformational leadership and perceived organizational support that showed the strongest relationships with trust. Dirks & Ferrin (2002) also differentiate between trust in a direct leader and trust in organizational senior leaders as a whole. Both predefined types of trust were proven to be beneficial for obtaining higher levels of performance, job satisfaction or altruism within organizations. On the top of this finding, it was also discovered that trust in a direct leader may positively influence trust in the company's leadership team.

Mishra, Boynton & Mishra (2014) offered another perspective on trust as rather an internal communication outcome. Elaborating on the *focal point* of internal

communication professionals – promoting open dialogue across the organization – Mishra, Boynton & Mishra (2014) found that trust is built only on the foundations of such dialogue and two-way communication. The company and its leaders need to share information to create the overall sense of belonging to the company which consequently creates trust between the company and employees (Mishra, Boynton & Mishra, 2014). This research also insinuates to measure levels of trust in a company before and after the recommended leadership communication skills improvement initiative to obtain further evidence of the impact of leadership communication on trust.

Job / employee satisfaction

DeGroot, Kiker, & Cross (2000) engaged in a meta-analysis study to assess the relationships between transformational leadership and subordinate performance, satisfaction and commitment. Nevertheless, their research didn't bring any sound evidence of a positive relationship between transformational leadership and employee satisfaction. On the contrary, Podsakoff, MacKenzie, & Bommer (1996) claim that a transformational leaders' behavior has a strong effect on general employee satisfaction.

Dumdum, Lowe, & Avolio (2002) also chose meta-analysis as their research method to reveal the effects of leadership styles on employee outcomes. More concretely, they used twelve scales comprising MLQ (Multi-factor Leadership Questionnaire by Bass & Avolio, 1997) to measure the impact on employee satisfaction and effectiveness. They identified positive correlations between transformational leadership and employee satisfaction. As a further step, they also distinguished between satisfaction *with the leader and with the job*, which resulted in higher correlation between transformational leadership and satisfaction *with the leader*.

According to Madlock (2008), a leader's competence in communication is the greatest predictor of employee satisfaction. Madlock (2008, p. 73) also suggests that "supervisors who are communicatively competent are likely to be perceived as leaders by their subordinates, which in turn may result in positive employee and organizational outcomes". In his quantitative research, Madlock (2008) examined mutual relationships among communication and job satisfaction, task and relational leadership and finally the communication competence of leaders. A leader's communication competence has the strongest impact on employee communication satisfaction and perceived task and relational leadership style. A leader's communication competence has only a moderate impact on job satisfaction. Thanks to this evidence of the importance of leadership communication, Madlock (2008) insinu-

ates that a leader's communication competence and leadership style should be examined further within any organization as increased employee satisfaction (job or communication related) may potentially lead also to higher employee performance.

Employee effort, effectiveness, performance and development

In their search for a generally accepted paradigm on transformational leadership, Behling & McFillen (1996) developed a syncretical model aimed at reconciling the up-to-date theories. They hypothesized six main leadership behaviors – displaying empathy, dramatizing the mission, self-assurance projecting, enhancing the leader's image, assuring followers of their competency and providing followers with opportunities to experience success. Five of these were confirmed in testing but the behavior “dramatizing the mission” was unsupported. These leadership behaviors should then lead to the creation of three beliefs among followers: inspiration, awe and empowerment. Finally, these beliefs will then generate the final employee outcomes: employee commitment, effort and willingness to take risks in a company's favor.

Similarly, DeGroot, Kiker, & Cross (2000) also found a positive correlation between transformational leadership and subordinate performance. Their finding was not straightforward, though. They found a much more significant effect at the group level than at the individual level. Thus, DeGroot, Kiker, & Cross (2000) suggest that transformational leadership effects on employee performance are stronger when a leader employs the same behavior with all subordinates.

Dvir, Eden, Avolio, & Shamir (2002) opted for a different approach to examine these relationships: a field experiment. They turned their focus to both follower performance and development as the targeted outcomes of transformational leadership. They predicted that transformational leadership has a positive impact on the motivation, morality and empowerment (as development outcomes) and performance of followers. They hypothesized seven manifestations of the followers' development but only four of them were confirmed by the experiment: self-efficacy, collectivistic orientation, critical-independent approaches and extra effort. Overall, it has been demonstrated that transformational leadership has a positive impact on indirect follower performance and direct follower development (Dvir, Eden, Avolio, & Shamir, 2002). However, the study has limitations in terms of the environment in which it was conducted – the military.

The previously discussed research by Dumdum, Lowe, & Avolio (2002) focused also on followers' effectiveness. The results of this meta-analysis showed and proved positive correlation between transformational leadership and followers' effectiveness; however, the sample for this claim was rather small (due to small

number of previous studies that would incorporate objective measures of effectiveness). In addition, when comparing public and private organizations, higher correlations were found in the public ones. In summary, it is crucial to realize that the impact of transformational leadership on effectiveness or performance may also vary depending on performance measurements and organizational changes (Dumdum, Lowe, & Avolio, 2002).

Employee-organization relationships and employee advocacy

Having discovered the numerous employee outcomes, there is also a newly constructed theoretical model which describes mutual linkages between transformational leadership, internal symmetrical communication, employee-organization relationships and employee advocacy. Therefore in this model by Men (2014b), the employee outcomes taken into consideration are employee-organization relationships and employee advocacy. The conceptual model was tested via a quantitative survey of more than 400 respondents. Figure 4 illustrates the results of the research where only the significant influencing linkages are retained.

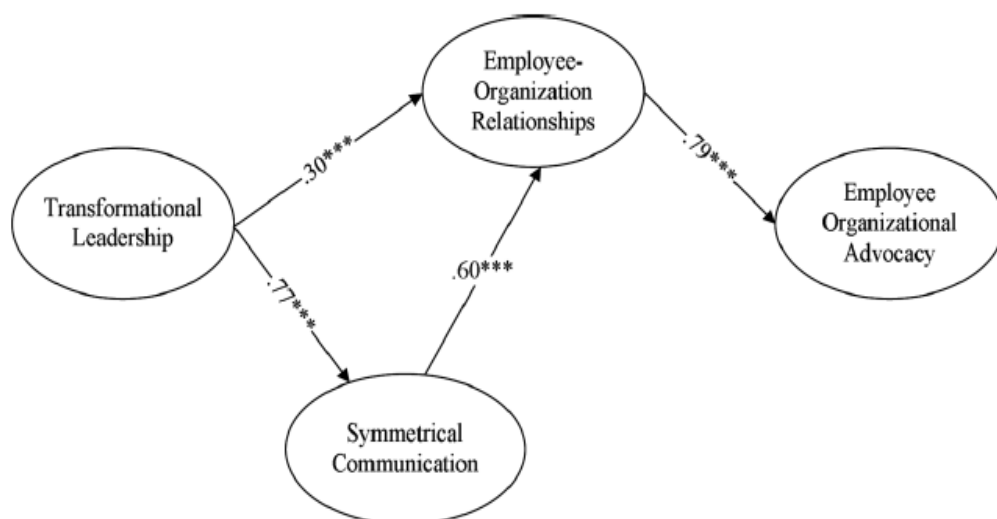


Figure 4 – The resulting model of transformational leadership, internal symmetrical communication effects on employee outcomes by Men (2014b)

As seen in Figure 4, there is a very strong link between transformational leadership and internal symmetrical communication. This finding then confirms that employees experiencing transformational leadership are more prone to evaluate organizational communication as symmetrical or two-way (Men, 2014b).

Based on the studies listed above, it is already confirmed that transformational leadership has a direct impact on different employee attitudes or behaviors such as trust or satisfaction with job, etc. A recent study focused on relationship between employees and the organization and demonstrated that transformational leadership has a positive effect: "How employees feel about the organization is largely affected by how they are treated by their direct managers" (Men, 2014b, p. 272).

However, transformational leadership has also indirect impact on these employee-organization relationships when mediated by internal symmetrical communication. In fact, this study was among the first to provide empirical evidence on how this particular leadership style – transformational leadership – enables internal communication and significantly influences the overall quality of communication within an organization (Men, 2014b). Building on this knowledge, it can be argued that the effect of transformational leadership mediated by internal symmetrical communication is, de facto, leadership communication itself.

Another confirmed solid link is the connection between symmetrical communication and employee-organization outcomes. Men (2014b, p. 273) established a clear argument about employee involvement and inclusion in the organizational processes and set-up: "having employees involved indicates the organization's confidence and trust in employees and concern for them and thus provides employees a sense of ownership regarding the organization and nurtures employee-organization relationships". This claim is in full accordance with other researchers' findings on employee engagement and trust as a leadership communication outcome (e.g. D'Aprix, 2011; Dirks & Ferrin, 2002; MacLeod and Clarke, 2009; Mishra, Boynton & Mishra, 2014; Welch, 2011).

Nevertheless, Men (2014b) extended her research by including one more construct as a part of her model – employee advocacy. Men (2014b) hypothesized and consequently demonstrated that when there is a good employee-organization relationship, there is a high chance that employees will become organizational advocates. And as is already known, two antecedents are needed to build and maintain positive relations between employees and organization: symmetrical communication and transformational leadership (both as a direct and indirect influencing factor). For the purposes of this research, it is adequate to highlight the following: Leaders have a crucial influence on the internal communication system and thus should be empowered to become excellent communicators (Berger, 2008; Men & Stacks, 2013, Men, 2014b).

2.3.3 Business outcomes

In the previous chapter, the focus was concentrated on employee outcomes of effective leadership communication. No matter whether it is employee engagement, trust or higher-level, overarching employee-organization relationships, these outcomes are usually not the ultimate goals of today's organizations. They are rather the means used to reach the essential, fundamental objective that any profit-driven organization has, namely company value, business performance and growth, retention, public reputation, etc.

Corporate internal communication managers should be able to link internal / leadership communication metrics to corporate ROI (return on investment) or other business outcomes (Men, 2014b). However, the reality is often different. Even though the majority of MNCs does measure different key performance indicators (KPIs) via their internal employee surveys, the linkage with leadership communication is usually not straightforward and is rather multifactorial. Habitually, there is no such KPI dedicated to a direct evaluation of leadership communication. When searching for business outcomes of internal / leadership communication, one faces a similar situation.

Direct business outcomes

However, the multinational consulting firm Tower Watson is a pioneer in measuring the ROI of communication worldwide. Their most recent study, their sixth already, repeatedly reveals a clear connection between effective communication and financial performance. Concretely, it claims that "companies with high effectiveness in change management and communication are three and half times more likely to outperform their industry peers than firms that are not effective in these areas" (Tower Watson, 2014, p. 1). At the same time, it highlights the significant role of leaders in creating a suitable environment and conditions to create a competitive advantage.

Previous studies by Tower Watson also uncovered some very indicative insights: The 2003/2004 issue demonstrated that companies with the highest level of effective communication had a 26% Total Return to Shareholders (TRS) from 1998 to 2002, compared to a -15% returned registered by firms that communicate least effectively. The same study also noted that a significant improvement in communication effectiveness can bring a 29.5% increase in market value. Between 2000 and 2004, an even greater effect on TRS was revealed: companies effective at communicating experience a 57% higher TRS than those with low communication effectiveness. In the fifth study (2011/2012 issue), Tower Watson stated that highly

effective communication and change management deployment made companies more than twice as likely to outperform their industry peers in comparison with companies not effective in these areas. This means that also this performance indicator has been even reinforced recently – from 2 times in 2011/2012 to 3.5 times in 2014/2014 (Tower Watson, 2014).

Through the decade of ROI communication research, Tower Watson (2014) re-confirms that effective communication has direct impact on business results listed above. At the same time, it points out that the world has changed as well. Specifically, the audience, the stakes and the overall pace have changed. Audiences are more demanding, employees are also perceived as company stakeholders and the pace has accelerated thanks to new evolving technologies and globalization.

Reflecting on these findings, one could ask: What does effective communication mean according to Tower Watson? Tower Watson (2014) developed a model which consists of an essential basis and three layers: foundation, strategic and behavioral (Figure 5). The basis describes the desired culture that enables the achievement of the business' goals. However, there is no universal behavior that would fit all companies: "The most successful companies actively build a culture to support and drive behaviors aligned with their business strategy" (Tower Watson, 2014, p. 3). If a company can also fulfill the additional three layers, it should achieve the optimal level of effective communication and benefit from the identified business outcomes.

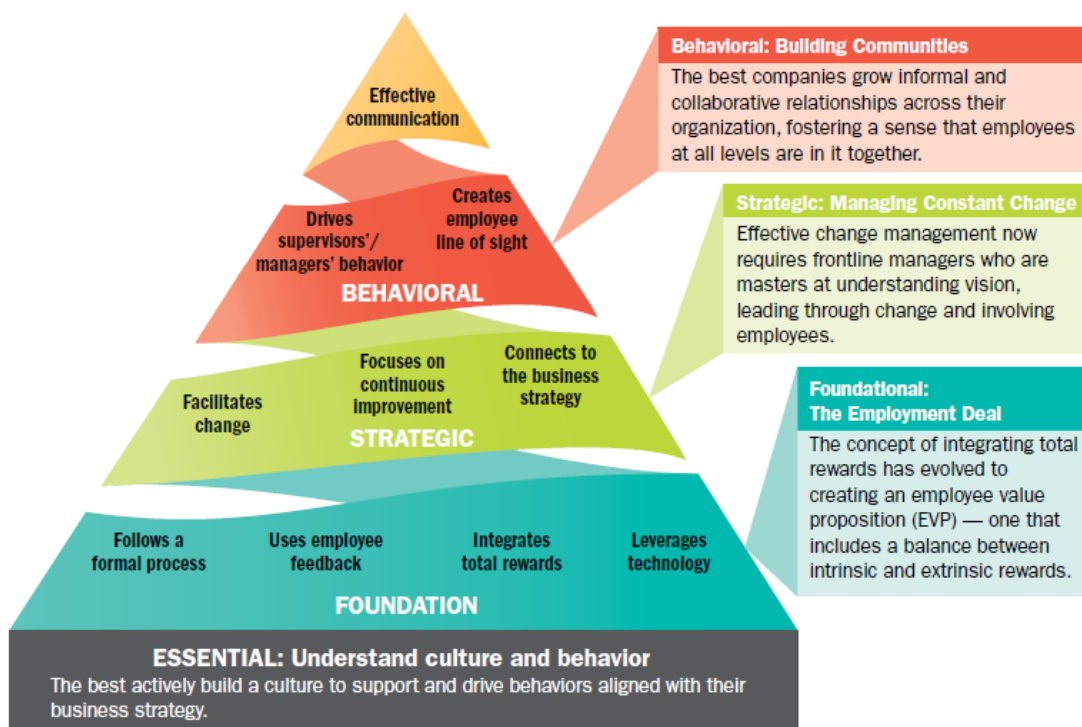


Figure 5 – Tower Watson (2014) model of communication ROI

Multifactorial direct business outcomes

As maintained earlier, there are many communication outcomes which are difficult or even impossible to link only to communication itself. Many times, there must be the right mixture of more components in the right place, proportion and time. The Work Foundation (2005) research was built just on this idea. This English institution, which is part of Lancaster University, developed the Company Performance Index (CPI) to measure a company's strategic effectiveness in the following areas: customers and markets, shareholders and governance systems, stakeholder relationships, human resources practices, and creativity and innovation management. The Work Foundation (2005) claims that these five core clusters explain 76% of the difference in productivity across nearly 3,000 UK firms surveyed in their research. Also, the CPI elements combined with the basic factor inputs are able to create over 25% of added value per employee. Overall, the CPI impact on factors of production explains 3% of the difference in revenue growth and 6% of the difference in gross profit across firms.

Nevertheless, all the above named benefits cannot be achieved without the five "intangible" factors of production identified also by The Work Foundation (2005) study: structure, process, leadership, communication, and culture and employee relations. The Work Foundation (2005) states that high performing firms provide good guidance on what to do in each of the five "intangible" factors of production. For the purposes of this study, only the details related to communication and leadership will be covered further.

The research carried out by the Work Foundation (2005) was conducted in cooperation with many MNCs including AstraZeneca, Microsoft and Rolls-Royce. These companies usually occupied the highest rankings among high performance companies. Thank to this, they can be seen as role models for different "intangible" production factors. The communication factor is a clear strength of Rolls-Royce (The Work Foundation, 2005). This large multinational encourages open sharing of information between both managers and employees by shifting the emphasis from collective mechanism of messages dissemination to more direct communication between individuals. This shift reflects the company's current need for more agile team cooperation. Consequently, by encouraging and enabling direct communication among employees, Rolls-Royce reports higher staff motivation, retention and increasing performance (The Work Foundation, 2005).

Regarding the leadership factor, the imperative for management and leadership teams should be their visibility and accessibility. The international bank Standard Chartered has developed a best practice in this area. Its "Seeing is Believing" cam-

paign, which is personally endorsed by the company's Chief Executive Officer, lays bare the actions of leaders and managers to be carefully observed and evaluated by employees (The Work Foundation, 2005). Successively, employees tend to adopt the same behaviors and values that support this behavior (The Work Foundation, 2005). In addition, the very fact that the highest organizational body is the role model of this initiative tells employees that business values are very important for nurturing both internal and external customer relationships (The Work Foundation, 2005).

Indirect business outcomes mediated by employee engagement

On the contrary, companies with ineffective communication rank very poorly in employee trust, retention, performance and employee engagement (Berger, 2014). Based on previously introduced knowledge and this statement, it should imply that high levels of employee engagement are positively correlated with effective internal / leadership communication and together produce different positive business outcomes.

The Corporate Leadership Council (2004) undertook a survey that included 50,000 employees from nearly 60 organizations across 27 countries and 10 different industries. This research was tailored to reveal the impact of employee engagement on employee retention and performance and its two key findings were rather persuasive. It found a performance difference of 20 percentile points between highly and poorly engaged staff. In terms of retention, the difference between strong engagement and strong disengagement was even greater: There was an 87% lower probability of the strongly engaged employee group leaving the company.

In addition, the research shows that segmentation techniques commonly used for engagement level comparisons within companies (e.g. tenure length, gender, age etc.) are not the real predictors of employee engagement. The company itself and its strategy is what determines engagement levels. Note the linkage with Tower Watson's (2004) affirmation about driving behaviors aligned with business strategy. From a leadership perspective, managers themselves are not the most powerful driver of employee effort. However, they have a tremendous impact on an employee's commitment to his/her job, team, and the whole organization. What is very interesting from a communication point of view is the finding that internal communication is the fourth most important driver of employee engagement (following connection between work and organizational strategy, importance of job to organizational success, and understanding of how to complete work projects).

Overall, the Corporate Leadership Council (2004) identified only 11% of all respondents as highly engaged and considerable differences among different organizations were found – ranging from almost 25% to only 3% of highly engaged staff.

Gallup's (2013) survey reported the same finding in its research carried out from 2008 through to 2009. However, their latest research, conducted in 142 countries between 2011 and 2012, brought a slightly increased result, asserting that 13% of the global workforce is engaged. Gallup is the world's leading research company in the organizational lifecycle field and pioneered the employee engagement concept and introduced the Gallup Q¹², its own tool to measure 12 actionable elements that are tightly interlinked with performance outcomes.

Gallup (2013) claims that if a company wants to maintain high productivity, it needs to develop the ability to engage its employees. "Gallup's extensive research shows that employee engagement is strongly connected to business outcomes that are essential to an organization's financial success" (Gallup, 2013, p. 12). Furthermore, thanks to Gallup's meta-analysis research on the Q¹² elements using 263 research studies, the connection between employee engagement and nine performance outcomes – customer ratings, profitability, productivity, turnover (for high- and low-turnover organizations), safety incidents, shrinkage, absenteeism, patient safety incidents, and quality (defects) – was confirmed (Gallup, 2013). The differences between the top- and bottom-quartile teams based on their engagement levels are captured in Figure 6. Additionally, Gallup (2013) also discovered that organizations employing an engaged workforce have higher Earnings per Share (EPS).

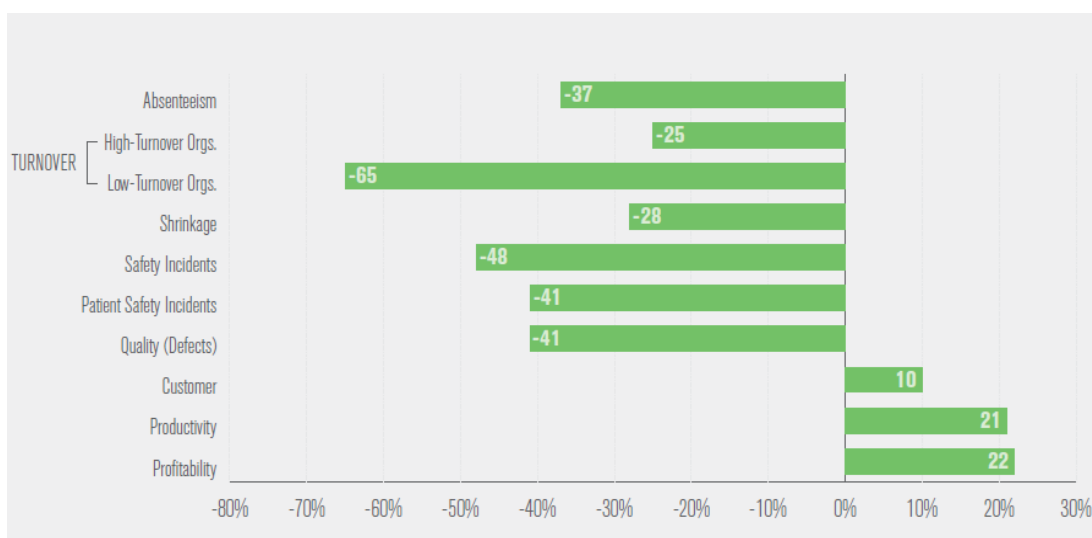


Figure 6 – Engagement's effect on key performance indicators by Gallup (2013)

Gallup (2013) has also prepared several recommendations for companies wanting to improve engagement among their employees. With regards to leadership and leadership communication, there are two main assertions. Firstly, Gallup (2013) encourages a very careful selection of managers who should be hired or promoted based on their leadership skills and talent in building relationships, empowering, supporting and engaging employees. Secondly, all managers should be coached and held accountable for their direct report's engagement (note consistency with Mishra, Boynton & Mishra, 2014). To foster this idea, Gallup (2013) affirms that some of its clients use achieved engagement scores as a criterion for internal promotions of leaders and managers.

The next study was published by BlessingWhite, a global consulting firm specializing in leadership development and employee engagement. In it, BlessingWhite (2014) collected over 7,000 responses from all around the world in order to understand one business outcome – retention (aka intent to stay). It was demonstrated that 81% of engaged employees want to stay whereas in case of disengaged employees it is only 23% (BlessingWhite, 2014). Nevertheless, the respondents were also asked what can improve their performance, in other words – what their top contribution drivers are. The engaged and disengaged employees' groups indicated the following:

- For 21% of engaged and 13% of disengaged employees it is regular, specific feedback about their performance,
- 15% of engaged and 28% of disengaged employees named clarity about what the organization needs them to do and why,
- And finally 6% of engaged and 9% of disengaged employees mentioned better communication with their managers.

Foremost when contemplating the first two contribution drivers, a relatively huge gap can be found. On one hand, disengaged employees require less regular feedback, which may be related to the fact that the feedback they receive is not very positive. On the other hand, almost twice as much of disengaged employees call for better clarity on how they can contribute to their organization than engaged employees. This finding may imply that disengaged employees feel disconnected from their organization in general. In every way, for both engaged and disengaged employees, leaders and their communication towards them has a significant impact on their performance and their contribution to organizational goals.

In addition, BlessingWhite (2014) found another interesting causality – engaged employees are more likely to trust their managers. Expressed in hard numbers,

43% of engaged staff trusts their managers whilst only 10% of disengaged feel trust towards their managers.

In summary, there is a common pattern in all of the above mentioned studies: Business strategy needs to be consistently communicated and aligned with company culture and behavior. BlessingWhite (2014) adds another dimension to this claim by asserting that senior leaders are responsible for bringing clarity to business strategy as well as inspiring vision.

2.4 The current global state of leadership communication with representative examples

Clutterbuck and Hirst (2002) affirm that good leadership is mostly good communication. They even assert that “leaders, who do not communicate well, are not leading at all” (Clutterbuck & Hirst, 2002, p. 353). With this in mind, the following lines will discuss how today leaders perform their roles through leadership communication.

2.4.1 Leadership communication today

Ketchum, the well-known PR & marketing agency, in collaboration with the research services company IPSOS, undertook their third annual survey called Ketchum Leadership Communication Monitor (KLCM) last year. This research is run in 13 countries and polls the opinions of over 6,500 respondents (Ketchum, 2014). Ketchum (2014) argues that there is an inseparable link that between leadership and leadership communication, which needs to be studied further. It is in this context that the KLCM is presented. It is suitable to point out at this point that Ketchum measures all kind of leadership contexts including business, politics, local communities or non-profit organizations. Across these different leadership categories, it was found that only 22% of the respondents believe that today’s leaders are demonstrating effective leadership. Evaluated separately, business leaders were found effective by 29%. Different leadership levels were also discovered across various industries and it was showed that technology sector leaders were rated as the most effective leaders and communicators. The opposite was found in the banking sector (Ketchum, 2014).

Business leaders are seen as the most effective communicators (Ketchum, 2014). 35% of respondents believe so while the average of all leadership categories is only 28%. These results don’t seem very favorable in light of the following finding: 74% of respondents think that effective communication is important to great leadership (25% think it is somewhat important which leaves only 1% thinking it is not important at all). Open and transparent communication was also evaluated as one of

the most important leadership attributes by 62% of the surveyed population, following by “leading by example” at 63% (Ketchum, 2014). Overall, “key actions around honesty, transparency, and collaboration – not just key messages – are most important in order to be seen as an effective leader” (Ketchum, 2014, p. 17). These findings are in accordance with BlessingWhite’s (2014) research showing that only 56% believe that senior leaders communicate honestly and 61% indicated that senior leaders act in alignment with organizational guiding principles or core values.

2.4.2 Best practice examples

In the course of the literature review, several examples or testimonials of leadership communication practice were found and will be discussed in this upcoming section.

Case no. 1: Symantec Corporation

When the software company Symantec Corporation took a deeper look into its internal employee survey results, it was obvious that the majority of employees didn’t understand the business strategy (D’Aprix, 2011). Apparently, this finding led the management to the conclusion that this could jeopardize their company’s performance and consultants from ROI Communication were called to help. As D’Aprix (2011, p. 267) affirms, “The top driver[s] of employee engagement are senior management’s genuine interest in employees and the opportunity for employee improvement in knowledge and skills”. Drawing from this conviction, Symantec launched an annual leadership initiative called “Symantec is You” to raise awareness about its strategy, brand promise and core values. This initiative engages managers and leaders of all levels in a dialogue with employees, thus leadership communication channels play the prime role here. To name a few channels, there are all-employee meetings led by managers, an all-day President’s Forum for the company’s top leaders and a social network for follow-up on potential questions or new emerging topics. However, leadership communication efforts are also supported by other internal communication channels such as online or multimedia communication (D’Aprix, 2011).

The results of the first “Symantec is You” campaign were more than positive. They speak for themselves: 82% had acquired higher awareness of how they can contribute to Symantec’s strategy. At the same time, over 80% indicated that they understood Symantec’s vision and corporate values, and finally over 75% had a firm grasp of the top business priorities and overall strategy (D’Aprix, 2011). These high scores confirmed D’Aprix’s (2011) initial claim about the necessity of leader-

ship taking personal involvement in two-way employee communication, i.e. leaders also have to be great listeners.

Case no. 2: AstraZeneca

The AstraZeneca case is foremost about leadership and communication teams coaching which required assistance from communication consultancy Synopsis. In the context of the growing competition in the pharmaceutical industry, AstraZeneca's key unit of Research & Development (R&D) was facing a great challenge. In order to boost innovation and improve overall performance, the R&D unit needed to boost employee engagement in the initiative (Walters & Norton, 2008).

The program was based on Synopsis' FAME model for effective leadership communication: Focus, Articulate, Model and Engage (Quirke, 2009). Leaders need to be *focused* on their employees' needs and ideas, be able to *articulate* the vision, be the role *models* and capable of *engaging* everyone in the company's business. To put this model into practice, a one-day workshop was organized for both leaders and communicators. In short, leaders received rather practical tips and new techniques linked with the FAME model. At the same time, they were put into real communication situations to test newly acquired knowledge. One of the most important outcomes of the workshop was for leaders to gain an understanding of their own preferred communication style. All this allowed them to reflect on the various communication styles and needs that people around them might have. Being conscious about this made them much more open to other styles and be open to adapt their own from time to time. Communicators attended a different module of the workshop which focused on practical ways to support their leaders on the way forward (Walters & Norton, 2008).

Besides realizing the different communication styles and their consequences, leaders started to perceive communication in a different way – "as a discipline that requires time and effort to get it right" (Walters & Norton, 2008, p. 19). From the communicators' point of view, the workshop allowed them to get closer to the leaders and so enabled smoother mutual cooperation (Walters & Norton, 2008).

Case no. 3: Diageo

Diageo, the multinational alcohol producer, also undertook a leadership communication improvement initiative. After five years of organizational changes, including mergers and acquisitions, Diageo felt an urgent need to unite and engage all employees together. Whereas Diageo's performance was good, it was believed there was still some room for improvement which should be achieved via leadership

communication. To pursue this goal, Diageo's communication team developed a special leadership communication workshop (Quirke, 2009).

The workshop was based on the FAME model introduced by the aforementioned consulting firm Synopsis. As in the case of AstraZeneca, the workshop itself was aimed at identifying the different communication styles of leaders and practicing them in the habitual situations they face almost every day. Additionally, Diageo's leaders were asked to do a pre-workshop assessment of their communication style and provide an example of a real communication challenge they were currently facing for the workshop (Quirke, 2009).

Another aspect which was distinctive for Diageo is that all levels of managers and leaders were given the opportunity and privilege to attend this workshop. As Quirke (2009, p. 260) points out, "for Diageo, leadership is not only limited to the top echelons of the organization, but it is the responsibility of those leading people, initiatives and brands at all levels of the company".

Case no. 4: Continental Airlines

A very concrete example of leadership communication improvement practice can be found in Continental Airlines, a major U.S. airline. It is based on storytelling, which is also highlighted and heavily supported by Quirke (2009). The Corporate Leadership Council (2004) is also a convinced proponent of this communication method because it is seen as a highly effective means of creating links between employees and their organization.

At Continental Airlines the initiative was run in four phases. First, leaders had to identify a real-life event that had the potential to be a compelling story in addition to having an obvious link to current organizational challenges or opportunities. Second, leaders gathered in a smaller group where they told their story to each other and could observe other leader's reaction on their performance. Third, each story had to be transformed for different audience groups within the organization. And finally, leaders also had to tailor the story for different objectives, e.g. for teaching a learned lesson to avoid unnecessary issues in tackling a similar project. By the end of this initiative, all participants were asked for feedback. More than 95% of them claimed that the exercise enhanced their communication skills substantially (Corporate Leadership Council, 2004).

2.4.3 Recommendations for effective leadership communication set-up

As apparent from the discussion above, leadership communication is just in its bloom. While many studies and research show indisputable positive impacts of

good quality leadership communication, there is still a remarkable gap between theory and practice. When 472 professional communicators were asked what their current biggest issue was, 46% of them answered that it was engaging leaders and managers in fulfilling their roles in internal communication (Berger, 2014). This means that communicators face a challenge in persuading leadership teams to start taking communication seriously. However, as Clutterbuck & Hirst (2002, p. 354) affirm, “explaining that they are not effective leaders because they do not communicate well enough is not likely to be a popular message, even it is true”. For that reason, Clutterbuck & Hirst (2002) rather recommend internally measured perceived leadership quality, which should encourage the follow-up discussion and actions.

Synopsis consultants Walters & Norton (2008), presented 10 key lessons learned to take into consideration for both communicators and leaders:

1. Understand different communication styles
2. Leaders should cater to their audience
3. Communicators should use their preferred style
4. Being collaborative is not enough; leaders also need to give a clear direction
5. Consider the best communication approach for your concrete environment
6. Leaders may be affected by the proximity of information
7. Leaders can project their concerns onto staff
8. Consistency is achievable, despite mixed views (e.g. via the elevator speech technique)
9. Leaders should develop their own Q&As without communication team support
10. Meeting format matters (consider carefully when to hold an all-employee town hall meeting and when a smaller scale event is more appropriate)

There are many other recommendations coming from scholars or practitioners, however the most common obstacle is the absent leadership buy-in or “a failure of leaders to model desired changes or elevate their own communication performance” (Berger, 2014, p. 7). To tackle this hurdle by illustrating the leadership communication specific effects and peculiarities within the MNC in scope, the following research questions were designed based on Men’s (2014b) model findings. As the importance, significance and irreplaceable role of leadership communication has been already confirmed in the literature review, the research focused rather on deeper understanding of the current situation in the MNC in scope. The ultimate

outcome should be the definition of the desired leadership communication qualities and skills enabling positive employee outcomes and increased levels of employee engagement.

2.4.4 Research questions

1. Which are the main factors (antecedents) and characteristics determining good / poor leadership communication leading to increased / decreased employee outcomes in the MNC in scope?
2. What are the preferred / most effective communication channels for leadership communication both on individual and team level in the MNC in scope and what are the underlying reasons?

3 Methodology

The present qualitative research builds on the solid foundations constructed by the evidence of Men's (2014b) quantitative research and other studies examined in the literature review. Men (2014b) herself suggests a further qualitative research to be conducted on the basis of her findings. Also, this approach is in line with Carson & Gilmore (2006) who propose that an interpretative qualitative research can establish general propositions or frameworks based on the findings of prior studies. However, Carson & Gilmore (2006, p. 63) also advert that "it is not about testing this prior theory; instead it is about seeking an actual reality in a specific situation". When quantitative research confirms or conversely rejects a theoretical construct in an actual case in the field of marketing, then a new theory building (or extending) occurs (Carson & Gilmore, 2006).

The same authors strongly recommend implementing qualitative research methods in the marketing domain and in managerial contexts as they offer in-depth understanding of phenomena (Carson & Gilmore, 2006). As Dey (1993, p. 3) asserts, whereas quantitative data deals with numbers, qualitative data deals with meanings. Therefore, qualitative researchers usually work with texts that represent "a way to get behind numbers that are recorded in a quantitative analysis to see the richness of real social experience" (Schutt, 2011, p. 321). In other words, the goal of quantitative research is to gain an in-depth understanding of a situation (Carson & Gilmore, 2011).

Quantitative research tends to be inductive (Carson & Gilmore, 2006; Schutt, 2011). Thus, researchers using quantitative analysis identify patterns, cases or events which lead them to creating new discoveries and theories. Another crucial aspect of quantitative analysis is awareness of its context (Dey, 1993; Schutt, 2011). Dey (1993) emphasizes that in order to achieve a successful communication between two or more parties, we must know the relevant contexts and be aware of the fact that communication happens via words as well as actions. As the author of this research is an employee of the MNC in scope and therefore possesses a sound knowledge of its environment, the research will be enriched by the contextualization that this set-up can offer.

Therefore, the research questions indicated in Chapter 2 were investigated using qualitative analysis and an in-depth interview was chosen as the research method. This chapter first justifies the appropriateness of the research method for this study. Then, it describes the interviewees' population, data collection and analysis

procedure – “circular process” – by Dey (1993). Finally, the ethical perspective of this study is discussed and taken into account in the course of the research.

3.1 Method: In-depth interview used for a specific case

There is a wide range of methods to use in qualitative research. As Carson & Gilmore (2006) state, the most commonly used techniques in marketing management include observations, surveys, group discussions (e.g. focus groups), conversational records and finally in-depth interviews. When selecting the appropriate research method, the problem concerned with seeking a specific understanding usually arises. The researchers have to be clear about whether they seek *generalizations* that can be applied at large scales or *specifics* (Carson & Gilmore, 2006). The research questions presented in this study are designed to obtain an understanding about a single phenomenon – leadership communication – in a concrete organization. Therefore, such circumstances require in-depth analysis of a specific case (a group of people in the given company) and the context in which the MNC operates (please note the alignment with Dey, 1993; Schutt, 2011).

There are many different approaches to case studies, varying from the inductive and deductive character, the number of cases to be treated or the ways of collecting and analyzing the data. In business research, a specific, interpretative approach is usually adopted. This type of study, where only one specific case is in scope, is commonly used for investigating various aspects of managerial activities or decision-making. Such a study will still collect the data in the form of interviews, observation or the collection of documentary evidence (e.g. meeting minutes, internal communications or even external information) (Carson & Gilmore, 2006).

The present case study research will then predominantly collect the data from face-to-face, in-depth semi-structured interviews. These should foster the learning about individual experience and perspectives of the employees of the MNC in scope about internal leadership communication. Semi-structured in-depth interviews are the most commonly used interviewing format in qualitative research and can take place either on an individual or group basis (DiCiccio-Bloom & Crabtree, 2006). Due to confidentiality constraints and in order to achieve the maximum openness and transparency possible, only individual interviews will be conducted for the purposes of this study.

In summary, it is believed that in-depth interviewing is a powerful and strong research method for interpretative research (Carson & Gilmore, 2006).

3.2 Interviewees' population, sample and data collection

A total number of 9 interviews will be conducted mostly via face-to-face interaction. When face-to-face interaction is not possible due to geographical constraints, a telephone interview will be arranged. All interviews will be run in English and recorded on a MP3 device. The length of the interviews can vary from 45 to 60 minutes. Subsequently, all audio recordings will be transcribed into plain text.

As mentioned earlier, the interviews will be designed as semi-structured which allows for both open-ended questions and emerging additional topics raised by the interviewees themselves. Predefined interview questions will be prepared on the basis of the research questions listed in the Chapter 2. The full set of the interview questions can be found in the Appendix A.

As the MNC operates on three different continents (Europe, Asia, America), it was important to make sure that all of them were incorporated in order to ensure that not only the local European perspective is represented. More details about the MNC and its employees in scope (interviewees) can be found in Table 5.

Table 5 – Studied MNC and interviewees' information table

Variable	Description
Company industry	Information Technology
Type of organization	MNC
Total # of the company's employees	~ 3,500
Total # of interviewees	9
Functional background of interviewees	IT professionals, sales & marketing, human resources and communication
Job levels	Team members and leaders
Geographic location of interviewees (#)	USA (3), Czech Republic (3), Malaysia (3)
Nationality of interviewees (#)	USA (3), Czech (3), Malaysian (3)
Gender of interviewees (#)	Female (4), Male (5)

3.3 Analysis procedure

Dey (1993, p. 31) affirms that “the core of qualitative analysis lies in the related processes of describing phenomena, classifying it, and seeing how our concepts interconnect”. This implies that omitting any of the mentioned phases would result in an incomplete analysis. To correctly and completely analyze the outputs of the in-depth interviews, these three phases of qualitative analysis will be undertaken. The following sub-chapter will provide a brief description of all of them.

3.3.1 Describing

It is said that description has a low status in social science, however without it there would be neither meaning nor application of a theory (Dey, 1993). Qualitative analysis usually seeks to provide thorough description (Dey, 1993). The description itself then has three aspects to evaluate: contexts, intentions, and process.

The emphasis on context has been already expressed in the text above, however it is essential to bring a few more facts about it. Context should be perceived as a key to meaning as it can only be understood correctly if the context is also conveyed. On the contrary, when a wrong context is assumed it can lead to grave communication errors. Therefore, “the meaning of a communication often depends on knowing the relevant context(s) in which it is made” (Dey, 1993, p. 34). To reflect this insight, this research will provide a comprehensive contextual report prior to describing the outputs of the in-depth interviews.

Although the description provides meanings, they are not always straightforward in human communication. This ambiguity can be found rather often when dealing with qualitative data (Dey, 1993). And in qualitative analysis it can appear especially often. It is because there is a strong emphasis on individual perceptions of different observers. As Dey (1993, p. 37) adds: “For some this is the hallmark of the qualitative approach, distinguishing it from supposedly *positivist* social science”. Overall, it has to be understood that the observed and interviewed subjects cannot be relied upon to provide a rational account of their intentions (Dey, 1993).

The third aspect of qualitative analysis is the “process”. It highlights the natural evolution of meaning in the course of time. Comprehensive qualitative research often encompasses a rather longer period of time than only a one-off data collection. The study materials and methods are also usually combined rather than using only one of them (Dey, 1993).

3.3.2 Classification

When data are collected and described, the next step is to classify them into categories derived from a certain conceptual framework. These categories then represent the tools which help organize the data according to relevant characteristics. Without classification there wouldn't be any analysis (Dey, 1993).

Dey (1993) perceives classification as a form of *practical reasoning* and underlines that it is also a conceptual process. For example, when analyzing the data and clustering them into different groups, the researcher's logic may demand an addition of new categories not present in the collected data. Nevertheless, the initial classification based on a description of the data should be always guided by the researcher's objectives (Dey, 1993).

Dey (1993) also emphasizes another important characteristic of classification – it allows for comparisons between various cases and puts boundaries between them. To better depict the relations of subordination or hierarchy between the classified groups, it is recommended to create graphics or schemes. Finally, by classifying the data, a basis for making new connections between the data is laid. This implies that this step is a prerequisite for the final stage of *connecting*.

3.3.3 Connecting

Making the connection between the data is the ultimate goal of any qualitative analysis. Both description and classification only lay the foundations while connecting the findings represents the peak of the analysis where the final reasoning of the research should be revealed. Once the data are classified, the search for singularities, regularities or variations can commence. As Dey (1993, p. 49) adverts, "by examining the associations between different variables, we can begin to identify connections between them". However, the search for regularities, singularities or variations is not the only way of connecting – there is also structural or causal analysis (Dey, 1993).

Similar to classification, the use of graphical schemes or illustrations is highly advised for depicting the uncovered connections (Dey, 1993). As remarked by Dey (1993, p. 51), "it provides an effective way of coping with complex situations, indicating the key concepts employed and their inter-relation".

In summary, qualitative analysis enriches the descriptions of the empirical world and refines the conceptual tools (Dey, 1993).

3.4 Ethical concerns

All research participants (interviewees) were assured of anonymity and confidentiality during the initial interaction and prior to their participation. For the same reasons and due to the sensitivity of the research topic, the studied company will remain anonymous. In return, the participants were offered to receive an executive summary of the research findings. Interviewees were informed of all necessary details in order to consent to participation in the research interview (see Appendix B). The information included the name and university affiliation of the researcher, the purpose of the research, assurance of voluntary participation, confidentiality and anonymous participation, and the contact information of the researcher in case the interviewees have questions or are interested in the research findings. This procedure complies with the UK's Economic and Social Research Council (ESRC) standard.

To protect the interview participants, no identifiable information was included in the interview pre-questionnaire except for basic demographic information, such as gender, age, nationality, role and location within the MNC. All interviewees are only marked by numbers from 1 to 9 to differentiate them in potential quotations. The access to data (transcribed interviews and recordings) is password protected so only the researcher can work with them. Five years after publishing the results of this research, the transcribed interviews will be destroyed to prevent any misuse.

4 Research findings

4.1 Context description

Following Dey's (1993) procedure for qualitative analysis outlined above, the analysis will be initiated by putting it into its context. As the researched phenomenon is leadership communication, the main focus of the following contextual report will be laid on this topic.

The MNC studied employs roughly 3.500 people (approximately 350 of them are people managers) representing more than 80 different nationalities. Its offices and IT facilities are spread across three continents. Moreover, it belongs to a major enterprise group which operates in more than 220 countries and territories worldwide. All these facts taken together imply high cultural and geographical diversity. This is a crucial notion that any manager working in this MNC has to take into consideration when dealing with his/her multicultural, often also virtual, teams.

Both the MNC and the enterprise group it belongs to, have been executing an annual employee survey for the past eight years to find out its performance from the employees' perspective. These employee outcomes are measured across eleven Key Performance Indicators (KPIs). Among these, we can find the overarching "Employee Engagement" and the management focused "Active Leadership" KPIs that are of direct interest to this research. The survey consists of 40 questions connected to eleven KPIs. Each question (in the form of a statement) can be evaluated on a Likert-type scale ranging from "strongly agree" to "strongly disagree". This metric allows displayed results to be grouped into three categories – favorable, neutral and unfavorable. Besides the quantitative aspect, there is also an opportunity to express both positive and negative opinions related to any of the KPIs. The survey's response rate in the MNC in scope has constantly grown during the years of its existence – from 67% in 2008 to 84% in 2014.

The last year's (2014) survey results recorded improvement in all of the eleven KPIs. Considering only the Employee Engagement and Active Leadership KPIs further on, Figure 7 shows the recent rank in the favorable votes of these two KPIs and compares them to those of the previous year (2013). In both areas, we can see a progressive increase of 6 and 7 percentage points, respectively. Although both KPIs mark an upward trend, this has been the most significant increase on a year-on-year basis. When comparing the studied MNC with the overall group's results, last year's MNC's results were above the average for the group. However there is a huge

challenge ahead. The aspiration for 2020 is to obtain or sustain more than 80% of favorable votes for both KPIs.

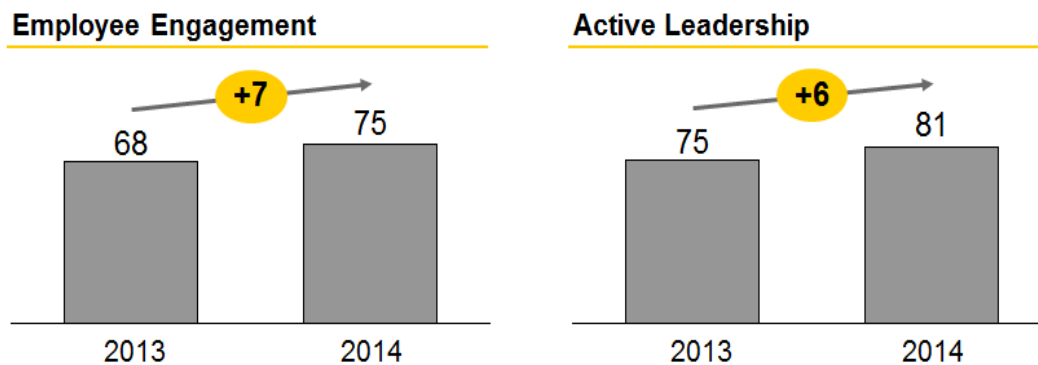


Figure 7 – Employee Engagement & Active Leadership KPIs scores in the MNC in scope

The MNC's managers and leaders have a direct impact on the Active Leadership KPI and both an indirect and direct impact on the Employee Engagement KPI (Berger, 2008; MacLeod and Clarke, 2009; D'Aprix, 2011; Welch, 2011; Mishra, Boynton & Mishra, 2014). It is already proven that just the communication provided by leaders or in the name of leaders represents a big portion of the perceived leadership quality overall. However, as Berger (2008) suggests, leaders and managers also need organizational support and encouragement to become effective communicators for their teams. The following text will then show the current MNC's support and encouragement of practices applied to leadership development.

There is an established framework of Learning and Development (L&D) opportunities for managers within the MNC in scope. At the enterprise group level, there are specialized leadership programs enhancing leadership capabilities in three different areas (Learning & Development Agenda, 2015, MNC in scope):

- **Essential Management Skills:** Building and strengthening all aspects of leadership essentials – covering leadership roles in general, performance management, employee development, and effective communication.
- **Professional Leadership Development:** Strategic thinking, business partner focus, leadership skills and styles – motivation & development of others, self-awareness, and personal development.
- **Executive Business Skills:** Building consultative business partnering capabilities, enhancing executive presence and understanding individual factors of emotional and social intelligence that directly impact business success.

Within the MNC, there are two kinds of L&D programs for managers. Firstly, there is the “Active Leadership Workshops” series. These 3-hours workshops concentrate on topics such as team member engagement, feedback, planning for team member performance, development and career planning. Secondly, the “Management Foundation” training is offered especially to first-time leaders. It is a two-day course that provides people managers with a solid foundation of the responsibilities and obligations that come with managing people (e.g. recruitment, compensation and benefits, local labor law knowledge, handling difficult situations, etc.).

From the description above, it is evident that leadership communication is not the top priority of the MNC in scope. There are areas that touch this phenomenon (e.g. team member engagement, feedback or effective communication skills), however it is usually only a side topic on the agenda of the development workshops.

All of the MNC’s employees (including managers) are evaluated according to the enterprise group’s core competencies scheme. Together with the target achievement evaluation, this core competencies scheme (i.e. competency assessment) creates an inseparable part of the overall employee annual evaluation cycle. There are five encompassing core competencies (making customers more successful, shaping direction, driving high performance, developing self, and developing others) valid for everyone in the enterprise group, however the concrete desired behavioral patterns partially vary according to the hierarchical level that an individual occupies within the group. Concretely, there are three levels in total: individual contributor, manager, and executive.

For managers, the desired behaviors related to leadership communication are “communicates strategy” under the “shaping direction” competency and “regularly reviews and communicates progress against objectives” under the “driving high performance” competency. For executives, the desired behavioral outcomes are “inspires and aligns the organization to make the strategy a reality” under the “shaping direction” competency and “regularly reviews and communicates progress against objectives” under “driving high performance” (this one is the same as for managers).

4.2 Classification and interconnection of concepts

The following section will be classified according to the two research questions. The responses to the predefined in-depth interview questions and the open comments from interviewees will be sorted accordingly to provide findings on the research questions.

4.2.1 The main factors (antecedents) and characteristics determining good / poor leadership communication leading to increased / decreased employee outcomes in the MNC in scope

Direct engagement with leaders and its outcomes

Interactions with leaders can bring a vast variety of outcomes on the employee side – from empowerment and support to frustration and helplessness. The negative and positive perceptions while engaging with a leader are discussed further. Frustration could be the outcome of the leader's communication style. Helplessness is caused by lack of direction and when the vision is not properly communicated. More support is needed when the leader is constantly busy with something else or has only a superficial knowledge of a team member's activities. Lack of sharing and empathy is experienced when the leader doesn't understand the pressure or the circumstances his / her team members is currently under. On the positive note, when there is good communication, no micro-management and freedom to execute the job, the team member feels "cheerful". Direct reports also feel confident, enlightened and inspired when their leader is a good communicator who knows how to translate the corporate messages to the team level. When there is enough of mutual interaction, it is perceived as motivating. Interactions with leaders can also lead to further reflection on a team member's performance or behavior and their consequences.

Motivating and demotivating leaders' behaviors

As affirmed by Bass, Avolio, Jung & Berson (2003), transformational leaders behavior is framed around four components: idealized influence, intellectual stimulation, individualized consideration and *inspirational motivation*. But on the contrary, what exactly makes leaders inspiring, motivating or demotivating?

Inspiring can simply be the way the leader communicates. More concretely, it is obvious when he / she clearly understands what he / she communicates or not. If a leader wants to ignite a spark of inspiration in a team, he / she must be ready to lead a motivational speech and celebrate success. D'Aprix (2011) and Ketchum (2014) highlighted the leader's role in inspiring the company vision and values. According to this researcher's finding, leaders should embody the values of the MNC in scope:

"The leaders should be a match with the company's vision / goals, connected with integrity." (Interviewee no. 4)

If leaders express genuine care for their employees in their communication efforts, the level of employee engagement then rises:

"If leader focus on that [caring about their employees – author's note] then engagement comes naturally in the majority of the cases. It is time consuming, but it is what makes leaders true leaders." (Interviewee no. 5)

The lastly mentioned inspiring factor was enthusiasm and a high energy level:

"It is important to see that the leader wants to push the company to the top." (Interviewee no. 9)

Honesty seems to be one of the most motivating factors in the MNC as well as for the consulting firms BlessingWhite (2014) and Ketchum (2014). Being approachable, using appropriate body language and keeping an eye contact is another example of motivating practices. Showing respect, recognizing the value of the team and its strong support are also a must for a motivational leader. Team motivation is stimulated when a "bigger" picture is explained and understood. Overall, when a leader possesses an "active" personality, it is apparently easier to motivate others through communication. For short-term motivation, praise or positive feedback is the right medium.

On the other hand, it is evaluated as demotivating when there is a lack of positive feedback although the job is well done (positive feedback coming from peers or colleagues). This is even seen as the reason to leave the company because it lowers employee engagement. The opposite impact would be in accordance with the Corporate Leadership Council's (2004) finding about an 87% lower probability of a strongly engaged employee group leaving the company. Any communication extremes are seen as counterproductive, e.g. silence or too intense or frequent communication. One third of respondents concluded that a conflict between words and actions is a typical factor of team demotivation. Not "walking the talk" as a leadership communication problem was already discovered by The Work Foundation (2005), Ketchum (2014). Dey (1993) emphasized that communication takes place both via words and actions. Not being the true role model to their direct reports is a demotivating driver closely connected to the aforementioned "walking the talk". As Mast & Huck (2008), Quirke (2009) and The Work Foundation (2005) claim, team members do seek role models in their leaders. Whenever a leader doesn't fulfill this function, demotivation increases. What doesn't help to raise motivation within a team is simple forwarding information without adding any value to it.

Role model leader in terms of leadership communication

A role model leader needs to be honest, sincere, open and transparent in his / her communication. A good communicator is able to articulate what is needed in plain

words. A leader has to be able to convey the information both verbally and non-verbally, provide a “bigger picture” and orientation to the team:

“I don’t like changes and this approach helps me to overcome the bad situations when I understand the underlying reasons”. (Interviewee no. 5)

Leadership communication should be always personal and targeted on the audience’s needs. As one respondent suggested, even a bit of humor is welcomed. A leader role model in communication is open to receive and give regular feedback, preferably via face-to-face communication.

As communication is a two-way process, it is expected that the leader will be a good listener as well. Managers should give enough space to their direct reports to bring their ideas and perspectives to the conversation. It is appreciated when the supervisor even encourages his / her team members to share more:

“For example, my manager uses: Is there anything else you would like to mention?” (Interviewee no. 6)

Another quality of a strong leader is self-confidence, which can be demonstrated by asking questions to team members. Self-confident leaders are not ashamed to ask for help and acknowledge that they don’t know something. When communicating, it is important to be approachable and genuine.

The most common mistakes in leadership communication

However, self-confidence shouldn’t grow into arrogance or misuse of power, both identified as common mistakes in leadership communication. Managers should also avoid being too judgmental although the inability to communicate unpleasant information or feedback is also perceived as a weakness.

Even though recognition of team members’ efforts was described as a desired behavior, “selling” every little achievement as a “success” isn’t well perceived within the MNC in scope. Managers are seen as powerful influencers therefore should be very careful about what they communicate and avoid commenting on something they are not certain about. A very common mistake is a simple lack of communication from the leader’s side:

“Vacuum of no information / communication to teams. In an absence of information, people make up their own stories, paranoia sets in or people create their own explanations.” (Interviewee no. 4)

Another identified leadership communication issue is when a leader doesn’t know how to “translate” the strategy for his / her team and make it relevant for them:

"Sometimes it is because they are not able, which is scary, and sometimes it is because they just don't understand that it is really important for their teams." (Interviewee no. 5)

Suggested improvements for leadership communication in the MNC in scope

To improve leadership communication, the research interviewees propose their leaders to digest the information first on their own before communicating it to the team. In this way they can be also be better prepared for potential questions. When a meeting is scheduled, it should have a clear agenda. New tasks and assignments should be communicated with clear deadlines and expected outcomes. Nevertheless, being specific shouldn't lead to micro-management. The focus should be also on regular communication via 1:1 meetings with all team members when possible.

Overall adaptation to the situation or a concrete team member is also advised. The chosen communication style and tone of voice also matter and should be something for leaders to consider further. Leaders need to show a certain level of friendliness and apply personalized communication, e.g. omitting a greeting or name of the team member in a written communication is not acceptable for European or Asian employees of the MNC.

Specifics of the leadership communication in the MNC in scope

Internal communication and its sub-area – leadership communication – in the MNC in scope are seen as more transparent, open to diversity and enabling a general awareness of its strategy. Due to the size of the MNC, all employees must be ready to ask and answer questions as it is impossible to know all about everything. A collective wisdom and sharing culture should be nurtured. Leaders can find a role in building trust among employees and inspiring them to feel proud of being part of "something bigger":

"Maybe leaders can share things in confidence or be able to say 'I do know but I can't share now' while knowing that the person can take it." (Interviewee no. 2)

Meanwhile honesty and integrity should be a common phenomena in any kind of organization; MNCs are used to deal with different cultural backgrounds. Some employees find this environment enriching, more open-minded, tolerant and flexible. Internal communication needs to adapt to this environment as well.

Leadership communication challenges ahead

The "information age" we live in brings a higher information and data demand. In accordance with Grates (2004), the MNC employees understand the need to be pro-

active and know where to find information on their own. On the other hand, a leader should be the facilitator and be in charge of making the information relevant:

"Employees will need and want even more information and the leader has to handle it. Employees demand data and information, so the leaders should be proactive, not wait for the employees to ask for it but go to them from their own initiative." (Interviewee no. 1)

This emerging requirement on leaders' proactivity can be threatened by increasing demands on target achievement, which can then have a negative impact on the quality of leadership communication. In this volatile and constantly changing environment, it is up to the leader to show direction and also act on it so his / her followers can believe in it. However, this doesn't mean that team members' involvement is no longer needed. As Argenti (1998) pointed out, if senior management doesn't involve other employees in the decision-making process, it is a real problem.

Despite the nature of today's fast-paced business world where adaptation and flexibility are highly valued assets, leaders should convey personal stability and integrity. However, if circumstances change then:

"Leaders have to be flexible; able to change the direction in case they find out the previous decision wasn't right." (Interviewee no. 6)

Moreover, a managerial competency shift has been noted by one of the interviewees:

"The basic competency of the manager way back was about his / her knowledge ... This is now different as you can get knowledge from Google. What is important now is 'situational brilliance' – this is what makes leaders effective now." (Interviewee no. 8)

Overall, communication is the key to future success – how leaders cascade and shape the messages to their team makes a real difference. In case a manager doesn't have the answer or data necessary to clear the ambiguity for his / her team, the following solution is suggested:

"Team leads should be brave enough to ask questions to top management." (Interviewee no. 9)

Important note

Although the majority of the in-depth interview questions specified the communication aspect of leadership, for the interviewees it was rather difficult to differentiate between leadership and communication skills. Therefore, they usually evaluated or described leaders as a whole, from any perspective.

4.2.2 The preferred / most effective communication channels for leadership communication both on individual and team levels in the MNC in scope

The source of valuable information for work

Whitworth (2011) and Men (2014a) claimed that supervisors are the preferred source of information for team members. This finding has been confirmed also in the present research. Interviewees repeatedly expressed the importance of the information cascade and the “translation” of the company’s strategy for the team’s level. Managers shouldn’t rely solely on other communication channels to convey the message. Instead, they should even use the information widely shared across the organization and shape it for their teams. One example of this behavior is described below:

“Every Monday we receive our company bulletin via e-mail and what my manager does on the following day is that she picks up what she sees as important for us and shares it with the whole team.” (Interviewee no. 1)

Also other internal sources of information were mentioned: company e-mail bulletin, monthly employee town hall meetings with the company leadership team or e-mail announcements. The internet and information from customers were cited as external sources.

The typical engagement with leaders

As the interviewees come from an MNC they are usually part of virtual teams and their leader or manager is often located in other country or even continent. That is probably the reason why most engagement with leaders happens via e-mail or an instant messaging application. However, whenever possible a personal meeting is scheduled. Another typical gathering between the team lead and his / her team are so called “all hands” meetings, also known as team meetings. When there is a chance to engage with the leader directly, it is important to pay attention to the following:

“Undivided attention is crucial as it is easy to find out whether people are multitasking and they are not truly listening. My manager literally closes his laptop, I really appreciate that. It is about the quality of the time spent.” (Interviewee no. 8)

The information that should come directly from leaders

Strategic information from the top management of the company and the overall status on how the company is doing and what is currently happening on this level should come from managers. Not only that, but they should also provide their opinion about such information and draw the “bigger picture” for their team members.

At the same time, managers also need to update their teams on how the team is doing in terms of reaching their team goals and further align if necessary. Mentoring and coaching together with feedback, recognition and clear expectations for the future are also expected from leaders.

Why this information should come directly from managers

Two core reasons were given in this section. Firstly, managers are the main source of acknowledgment and evaluation of team members' works and efforts. Secondly, the higher an individual stands in the organizational hierarchy, the broader will be his / her awareness of company affairs. This means that managers are usually better informed and therefore should share this information with their teams:

"My manager has more reliable sources of information from the top management and she can add a broader context². This helps me to prepare for the new situation". (Interviewee no. 1)

Leader's preference: Individual 1:1 meetings

The preferred communication channel of leaders for 1:1 meetings is face-to-face communication whenever possible. Thanks to geographical constraints it is then performed via e-mail, phone or instant messenger. However, these are seen as "second options".

Leader's preference: Team / company meetings

In the MNC in scope, a very common format of team meetings was identified - a regular monthly team meeting and the company's employee town hall meeting run by the Managing Director and his leadership team. In some teams, it is also common to hold so called "performance dialogues" or "whiteboard sessions"³ once or twice per week. Usage of new technologies such as videoconference or TelePresence was also highlighted. To ensure the minimal face-to-face interaction with the teams, the MNC's leaders travel sometimes significant distances at least twice a year.

Individual contributor's preference: Individual 1:1 meetings

The interviewees strongly prefer face-to-face communication for interaction with their leaders. They often emphasized the significance of non-verbal communication:

.....
² Please note the accordance with Whitworth (2011)

³ Meetings where the level of progress of goals' fulfillment is indicated and the status of the derived actions is shared.

"It gives me space to ask questions and enables discussion. It is easier to communicate in general – facial expressions. It is more effective and even more time-effective sometimes than having to go back and ask questions afterwards." (Interviewee no. 5)

If a personal meeting is not feasible, then phone or office communicator calls are used.

Individual contributor's preference: Team / company meetings

Due to the prevailing "virtual" nature of the MNC's teams, the preferred format for team meetings are gatherings via videoconference and TelePresence. Thanks to these interactive technologies, it is almost possible to imitate personal meetings. As mentioned by an interviewee earlier, on the company level, the global employee town hall meetings with Managing Director's presence are celebrated:

"I prefer our employee Town Hall meetings, especially when our top leader is here in Prague in person. It is a real added value for me to attend these. Moreover, our Managing Director is open to our concerns, he talks to people in the corridors and he answers his own Emails." (Interviewee no. 6)

4.2.3 The leadership communication skills that can bring positive employee outcomes and increase employee engagement

Based on the insights provided by the interviewees of this research, the following figure of desired leadership communication skills is presented (Figure 8):



Figure 8 – The most critical factors determining good leadership communication

5 Conclusion

5.1 Key findings

As seen by Men's (2014b) recent research, it has been proven that transformational leadership and symmetrical communication have direct and indirect effects on employee-organization relationships, employee organizational advocacy or employee satisfaction. Other researchers highlight that effective internal communication (including leadership communication) helps create and reinforce employee engagement (Berger, 2008; Welch, 2011; Mishra, Boynton & Mishra, 2014). These are the main findings preceding the present research. Drawing from this knowledge, this research's key objectives were:

- 1) to create a supportive argumentation for adding communication skills into the leadership core competencies framework of the MNC in scope
- 2) to contribute to the existing knowledge by enriching and deepening the conceptual model of the impact of transformational leadership on symmetrical internal communication and employee outcomes (Men, 2014b) by identifying the desired leadership communication skills and leadership qualities

It can be argued that based on the evidence presented in the literature review section of this study and the new insights stemming from this research, more emphasis is needed on improvement of leadership communication within the MNC in scope. Although the leaders' communication competence is directly or indirectly referenced in a few cases in the core competencies framework of the MNC, it could be done even more specifically and comprehensively. Most importantly, managers should be held accountable for the engagement of their direct reports (Gallup, 2013; Mishra, Boynton & Mishra, 2014) and for their own ability to communicate (D'Aprix, 2011). To make sure this accountability is understood and assumed by the organizational managers and executives, a more accurate and straightforward approach should be adopted, namely by specifying the contribution of communication in all of the five core competencies.

On the other hand, managers and executives should be entitled to organizational support. Leaders have a crucial influence on the internal communication system and thus should be empowered to become excellent communicators (Berger, 2008; Men & Stacks, 2013; Gallup, 2013; Mishra, Boynton & Mishra, 2014; Men, 2014b). Although the MNC in scope has established a solid L&D opportunities framework for organizational leaders, leadership communication is not one of the top priori-

ties. Therefore a dedicated L&D program based on the Synopsis FAME model for effective leadership communication (Quirke, 2009) is recommended.

The present study contributed to the body of knowledge by identifying the desired communication behaviors and skills manifested by leaders. As discussed above, Men's (2014a) study revealed that the communication channel most used by transformational leaders is face-to-face communication as it is the richest and most optimal medium for sharing complex information. This finding has been confirmed in this research. Moreover, this research also demonstrated face-to-face communication as the preferred communication channel of employees. The underlying reasons for this preference are as follows: Leaders need to employ a personal communication style, should be approachable, have good listening skills and show care towards their direct reports. All of the above described characteristics are likely to be best demonstrated through face-to-face communication.

Bearing in mind the impact of the leadership skills and communication on employee engagement (e.g. MacLeod and Clarke, 2009; D'Aprix, 2011; Welch, 2011; Mishra, Boynton & Mishra, 2014), it has been demonstrated that organizational leaders must be highly aware of their exceptional role and responsibility. To fulfill the aspiration to become full-fledged transformational leaders securing positive employee outcomes, leaders need to be sensitive about their honesty and transparency. When they communicate, they should always make the information relevant to their audience, i.e. their team members. Finally, they play a substantial role in the information cascade as also claimed by Mast & Huck (2008). However, employees do not expect their leaders to simply relay the message sent down the management chain. On the contrary, leaders are asked to provide a wider context, their own critical opinions and finally make a relevant connection to every team member's contribution to organizational goals and strategy.

5.2 Research limitations

From a theoretical standpoint, the study aimed to deepen the scope of Men's (2014b) model, which confirmed that transformational leadership and symmetrical communication have direct and indirect effects on employee-organization relationships, employee organizational advocacy or employee satisfaction. This model was extended by Berger (2008), Welch (2011) and Mishra, Boynton & Mishra (2014), who revealed that effective internal communication (including leadership communication) also helps create and reinforce employee engagement. Although a new model of the most critical factors determining good leadership communication was proposed, it was created solely on the basis of the insights collected in the envi-

ronment of a global MNC. This could imply that these findings are only applicable for global, multicultural MNCs with a significant number of employees.

Methodologically, qualitative research performed as a case study employing in-depth interviews implies its limitations of generalization. As advised by Carson & Gilmore (2006), researchers have to be clear about whether they seek *generalizations* that can be applied at large scales or *specifics*. This study chose to examine specifics and therefore its validity is highest for the MNC in scope. As Carson & Gilmore (2006, p. 69) add: “No study can be generalized beyond its own range”.

5.3 Future implications

To ensure that results and findings are transferrable across a wider population, a higher variety of respondents (e.g. various companies of a similar size operating in the same industry and geographical regions) and research methods should be employed. As Dey (1993) asserted, qualitative research often encompasses a rather longer period of time than a one-off data collection exercise. Therefore this research should be just the first step in a longer journey to study the development of leadership communication in the MNC in scope. Concretely, a new qualitative method could be implemented in the next research stage, possibly involving the original respondents. This procedure would enhance both aspects of a comprehensive qualitative research: its continual process, as outlined by Dey (1993) and the combination of different research methods or techniques. The next stage of research can bring particularly compelling insights also due to the recent appointment of a new Managing Director of the MNC in scope.

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Appendix A

In-depth Interview Questions

Demographic questions:

1. Gender
2. Age group (divided by decades)
3. Nationality
4. Work location
5. Job family / position
6. Hierarchical level within organization

Subject matter questions:

1. Where do you receive valuable information for your work, such as where the company/your departments is heading, what to focus on, etc.?
2. How do you usually engage with your leaders?
3. What information are you looking for receiving from your leader/leaders?
4. Why do you prefer to receive this information from your manager/leader?
5. How do you usually feel after engaging with your leader/leaders?
6. Why do you feel that way? What are the reasons?
7. What exactly is it that you feel is specifically motivating/inspiring or demotivating about the leaders' communication?
8. How would you rate the communication of your leader on the scale 1-5 if 5 is best and 1 is worst? Why do you rate it that way?
9. What could your leader improve in terms of his/her communications?
10. Please choose from the below to best evaluate the statement in your situation: I get enough of direct interaction time with my leader.
 - a) Yes
 - b) It is ok, but I would prefer more of my leaders time
 - c) No, my leader doesn't dedicate enough time to me
 - d) Other
11. What communication channels does your leader choose to communicate with you?
12. What communication channels does your leader choose to communicate with all employees?
13. What channels do you prefer when your leader communicates with you individually and why?
14. What channels do you prefer when your leader communicates to all team members and why?
15. Please describe a communication style of a leader you would say is a role model. What aspects do make it appealing to you?

16. From your experience, are there any differences in communication in a global multicultural environment? If yes, what differences are there?
17. What are the most common mistakes you have experienced leaders in Global organizations do?
18. What do leaders have to be sensitive about or focused on to be perceived as inspiring and motivating? And what concretely?
19. How does the changing business environment change the demands on leadership communication from your perspective? (Preferences to be online, pressures of environmental challenges, economic crisis, etc.)
20. Is there anything else that you'd like to mention?

Closure:

21. Which statement do you identify yourself the most with / is the best fitting to you?
 - a) I enjoy what I do, always go the extra mile and I get the feeling of fulfillment from proactively proposing creative solutions that support the organization's business objectives
 - b) I enjoy what I do and often go the extra mile, sometimes I propose creative solutions that support the organization's business objectives as it brings me fulfillment
 - c) I enjoy what I do and like delivering on the required standard
 - d) I am ok with my job so far and deliver what's needed
 - e) Other

Appendix B

Consent for Participation in Interview Research

I volunteer to participate in a research project conducted by Tereza Křetínská from the University of Economics, Prague. I understand that the project is designed to gather information for an academic work (diploma thesis) to be presented on the Faculty of Management of the University of Economics, Prague. I will be one of 9 people being interviewed for this research.

1. My participation in this project is voluntary. I understand that I will not be paid for my participation. I may withdraw and discontinue participation at any time without penalty.

2. I understand that most interviewees in will find the discussion interesting and thought-provoking. If, however, I feel uncomfortable in any way during the interview session, I have the right to decline to answer any question or to end the interview.

3. Participation involves being interviewed by Tereza Křetínská from the University of Economics in Prague. The interview will last approximately 45 - 60 minutes. Notes will be written during the interview and an audio record of the interview will be made. If I don't want to be recorded, I will not be able to participate in the study.

4. I understand that the researcher will not identify me by name in any reports using information obtained from this interview, and that my confidentiality as a participant in this study will remain secure. Subsequent uses of records and data will be subject to standard data use policies which protect the anonymity of individuals and institutions.

6. I have read and understand the explanation provided to me. I have had all my questions answered to my satisfaction, and I voluntarily agree to participate in this study.

7. I have been given a copy of this consent form.

My Signature

Date

My Printed Name

Signature of the Investigator

For further information, please contact Tereza Křetínská at xkret20@isis.vse.cz