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Investigating Antecedents and Consequences of Corporate Communication Management

This paper analyses the influences of managerial communication, marketing communication and organizational communication on corporate communication. In addition, this paper shows how corporate communication management influences organizational performance. This research also investigates the role of corporate leadership in moderating the relationship between corporate communication and organizational performance. Three categories of antecedents, namely, management communication, marketing communication and organizational communication are gathered from the literature. Direct consequences and indirect consequences through relevant mediators are identified. Future research directions are also offered. The compendium of antecedents and consequences of Corporate Communication Management (CCM) can be used by corporate communication practitioners for their segmentation and target stakeholders.

Keyword – Corporate communication, Communication, Organizational performance

Introduction

In recent years, researchers and practitioners have become increasingly interested in Corporate Communication Management (CCM). Corporate communication is a management tool which has arisen in response to increasing concern about the communication in the

complex and sophisticated corporate organizations. The complexity of organizations' growth is commonly synchronized with technology advancement and modern organizational structure. Since corporate communication entails selectively communicating the organization's views and objectives to those stakeholders whom it regards as important, it can therefore be described as a key management strategy. A growing number of managers, in fact, consider corporate communication not just an information activity but as a corporate management issue (Yamauchi, 2001) and a vital management function in contemporary organizations (Goodman, 2000).

For two decades, and particularly during 1990s, academics and practitioners have engaged in a lengthy attempt to define vulnerability and develop a method to measure corporate communication. Nonetheless, just what the term means and how it informs assessment methods remains unclear (van Riel, 1995). Although most corporate communication researchers and executives could benefit from using an integrated and more systematic framework, the academic field of corporate communication is scattered, divergent, and lacks coherence (Belasen, 2008). This confusion concerning the central concept of corporate communication has not been resolved (van Riel, 1997). Therefore, the broader view of corporate communication is needed because the concept and practices needs to be refined and better understood.

Significance of the Study

The concept of corporate communication can be confusing (van Riel, 1995), complex and advanced (Christensen *et al.,* 2007), embryonic (Varey, 1997); and across multi disciplinary

subject (Goodman, 2000; Christensen *et al.,* 2007), such as marketing, management, communication, finance, sociology and psychology. However, despite the increasing quantity of research in this area, the knowledge about this phenomenon is still limited at best. For example, within the corporate communication literature, there are only few studies that are related to corporate communication such as *productivity and performance* (Stainer and Stainer, 1997), *innovation and change* (Hargie and Tourish, 1996), *merger and acquisitions* (Balmer and Dinnie, 1999), *competitive advantage* (Balmer and Gray, 1999), *values* (Wanguri, 2003), *professionalism* (Steiner, 2001) and *strategic function* (Dolphin and Ying Fan, 2000). Despite some reasonable research regarding the corporate communication, there is still a lack of research on the subject of CCM on a corporate level. In particular, CCM literature has neither conceptualised nor operationalised the corporate communication dimension sufficiently. Most of this research tends to focus on conceptualizing the idea of corporate communication rather pursuing empirical studies on the subject matter.

In addition, the literature is evidently up to date. There are still a few empirical studies exploring the perception of managers in the organization (Wright, 1995; Dolphin and Ying Fan, 2000) when they actually play a vital role in CCM strategic planning (Dolphin and Ying Fan, 2000). There is a lack of understanding of CCM in organizations. Therefore, this research examines the antecedents and consequences of CCM in the organization from a managers' perspective and will offer additional knowledge in the corporate communication field and also corporate performance.

The Purpose of Study and Research Questions

The overall objective of the research is to analyse the antecedents and consequences of CCM by providing an integrative framework for the study. This study will undertake the following steps: first, the study will define corporate communication and CCM construct, and discuss its properties and characteristics; second, the antecedents (management communication, marketing communication and organizational communication) of CCM are explored to develop appropriate measurement scales in order to operationalise the CCM construct; third, to investigate the factors that determine the degree of CCM applied by an organization and fourth, to examine the consequences of CCM along with the roles of relevant mediating variables. Accordingly, this study is trying to answer the following five questions.

R1: Does management communication affect corporate communication management?

R2: Does marketing communication affect corporate communication?

R3: Does organizational communication affect corporate communication?

R4: Does corporate communication affect organizational performance?

R5: Does corporate leadership affect organizational performance?

Conceptual Definition and Research Framework

'Corporate' refers to complete, entire or total entities of the organization, while 'communication' means to impart, share or make common. Therefore, 'corporate communication' can be defined as a total communication of the organization or integrating different messages of organizations under one banner (Christensen et al., 2007).

The focal construct in this research, namely corporate communication management (CCM), can be defined as a management of the perceptions of an organization (Chaloner, 1990); therefore, the perception of audiences or stakeholder can be influenced from all internal and

external information (message of communication) means and measures (Schmidt, 1995; Cornelissen, 2008). The collective message from both sources through every form, manner and medium of communications (Haynes, 1990) will convey organizations identity (Gray, 1995; Gray and Balmer, 1998) to its stakeholder.

Since this research considers CCM as a management tool of the organization, this research strongly draws on management and marketing in order to develop the following two sets of hypothesis. The first set of hypotheses (antecedents) proposes relations between factors such as management communications, organizational communication and marketing communication and CCM as a focal construct. The second set of hypotheses (consequences) proposes relations between CCM and various key outcomes as perceived by the company for gaining performance such as financial and strategy, while corporate leadership is a mediating factor in this relationship.

Figure 1: Antecedents and Consequences of Corporate Communication Management (CCM)
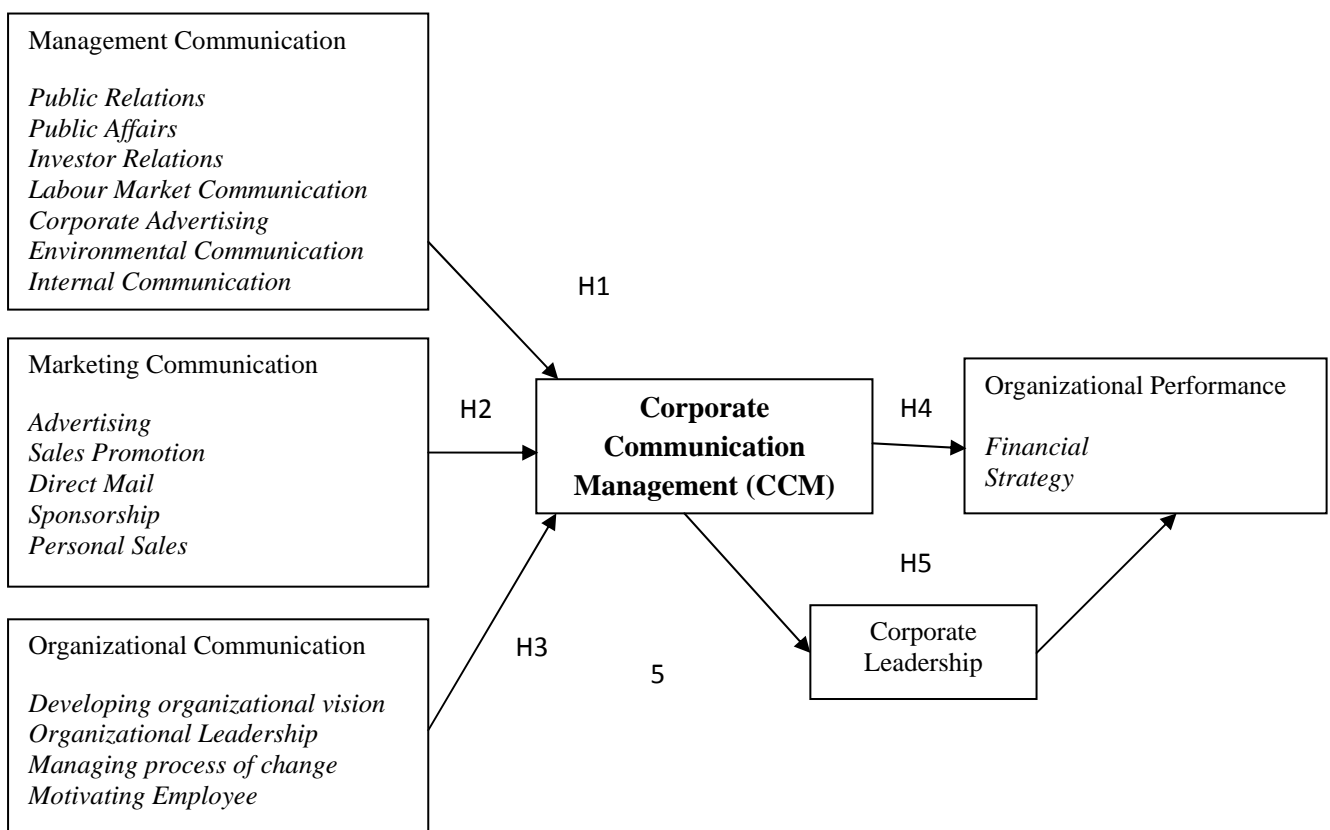
The conceptual model (see Figure1) is based on a review of existing research in the fields of corporate communication, public relations, marketing communication, management communication and organizational communication, corporate leadership and organizational performance. A corporate company with good CCM is able to persuade their stakeholder and to increase the organizational performance. Although corporate organizational are controlled by professional people with high qualifications and experience in management, communications are a vital elements for performance of organizations. So, CCM also plays an important role in order to make stakeholder understand about the organization and communicated organization identity. In corporate organization, a strong leadership is requested. One suggestion from all literature that has been reviewed is that the corporate organizations need to be more concerned with the CCM and quality of leadership. Since CCM is still neglected in many corporate organizations, it is hoped that this research draws management attention to the relevance of the subject, and gives valuable suggestions towards its implementation.

Research Context and Unit of Analysis

Based on the presented research questions, the unit of analysis is the organization. That is, investigating the antecedents of CCM and the consequences of CCM as perceives by the organization clearly indicates the organization as the appropriate unit of analysis. With regard to the difference approach of the organization in applying CCM, this research plans to be limited to only one or two organizations in the same industry. According to van Riel (1995),

the applications of the CCM frameworks are different depending on the organization. Therefore, each organization will show different results in term of CCM applications. However, with regard to the country where the research will be conducted, at this stage it is planned that this research will be carried out in Malaysia, thus, gathering primary data from Malaysian government linked companies (GLC).

GLC in Malaysia started in the early 1980's, as part of 'Malaysia Incorporated' strategy promoted by the fourth Malaysian prime minister, Mahathir Mohamad. This strategy also indentified some government agencies to follow the structure and the management of corporate companies. Consequently, government agencies become more efficient, competitive and cost effective. Malaysian GLC operates in a business environment which corporate communication issues are an integral part, it is assumed to obtain valid information in the qualitative as well as quantitative phase of this research.

Methodology and Research Approach

CCM is broadly discussed by many scholars, but to date only limited empirical study has been done. Consequently, after a review of literature in the area of corporate communication, this research will adopt a qualitative approach in an initial exploratory phase in order to obtain relevant information regarding the new construct of CCM. Particularly, this research aims to carry out in-depth interviews with the managers of the organizations such as marketing manager, human resources manager, public relations manager and financial manager. In depth interview data will be analysed by NVivo research software. Based on literature and primary qualitative data, the aim is to provide an accurate concept of the relevant constructs, in order to asses the conceptual research framework including the

proposed hypotheses and to ensure content validity of measurement scales. In the second stage, a quantitative method will be used in order to test the proposed hypotheses. After conducting a pilot test survey in order to refine the measurement scales, quantitative data for the main study will be gathered by using questionnaires, which will be disseminated to the specific GLC in Malaysia. At this point, a two step procedure including confirmatory factor analysis (CFA) and structural equation modelling (SEM) using SPSS 15.0 is planned in order to test the proposed hypothesis.

Expected Contributions and Limitation

This research aims to contribute to existing knowledge in different ways. To start with, this research aims to expand on the literature of corporate communication from the perspective of management. In addition, this research aims to enhance knowledge of corporate communication and corporate performance literature by investigating the CCM construct as an additional element of corporate strategy and corporate identity formation. Furthermore, this research aspires to develop measurement scales in order to operationalise the CCM construct. The measurement scales also offer opportunities for further research to examine the corporate communication dimensions.

In addition, this research aims to offer managerial contributions for decision-makers especially top level management regarding the use of CCM as an additional dimension for managing corporate strategy and corporate identity. In detail, the findings of this research are expected to provide managers with ideas to implement the CCM approach in the organization. In the business setting, organizations deal with the stakeholder perceptions to gain competitive advantage. Therefore, CCM might lead to increasing complexity of the task

for managers. This research contributes to the clarification on the subject matter by developing clear concepts of the CCM and by offering insights about the role of the CCM dimension, which help managers to more successfully incorporate the CCM dimension into the management activities in the future.

The challenge for researchers is to identify the construct space of corporate communication both as an interdisciplinary academic field of study that draws on a broader range of specialities bound by principles and theoretical and methodological issues and as a community of practice in which individuals and groups with similar occupational skills share common goals and interests associated with corporate communication.

Conclusion

The study attempts to provide a better understanding of the antecedents and consequences of CCM. The study also highlights the relationship of the CCM and organizational performance. The hypotheses and the integrative framework provide a foundation for organizations in order to manage CCM.

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