Aalto University
School of Economics

CEO Perceptions of the Strategic Importance of Communication

International Business Communication

Master's thesis

Noora Wuolanne

2010

CEO Perceptions of the Strategic Importance of Communication

Objectives of the study
The objective of this study was to investigate CEOs' perspectives on communication and its role in strategy work within organizations. Instead of exploring how communication should be conducted, this study focused on how CEOs perceive it. The study aimed to answer the main research question: What is the nature of communication and the communication function in strategy work from the perspective of the CEO? The main research question was answered by posing three sub-questions: How is communication involved in strategy work? What are the main benefits and challenges of the communication function in strategy work? And how does the CEO see him/herself as a communicator of the corporate strategy?

Methodology
This study was based on a qualitative approach. Empirical data was collected through seven semi-structured interviews: six CEOs and one Communication Director of international companies were interviewed. The CEOs interviewed had extensive working experience in management and chief executive positions. One Communication Director was chosen for the study to represent an experienced business professional with communicational background. In addition, his working wide experience with multiple CEOs was seen as an important aspect for the study.

Results of the Study
The research findings indicate that the nature of communication and the communication function in strategy work was important and it is seen as an essential part of management in their strategy work. Furthermore, the communication function contributed extensively to the overall strategy work of the company, also the CEO contribution to the communication plan of the strategy was seen significant. The main tasks of communication in the strategy work was to simplify the core ideas of the company's strategy and to make sure that it is communicated correctly to all interest groups. The cooperation between the Communication Director and the CEO was the key to the successful strategy communication. All external communication was perceived as strategy communication since its main task is to establish and maintain the company's image and reputation. While the interviewees argued that media was an aspect that the external communication should influence, it was also seen to create challenges. The CEO's role in strategy work was varied depending on the person. The CEO as a company's spokesperson was perceived crucial.

Key Words
International business communication, Corporate communication, CEO, Strategy, Management, Management communication

Toimitusjohtajien näkemykset viestinnän strategisesta tärkeydestä

Tutkimuksen tavoitteet
Tämän tutkielman tarkoitus oli tutkia toimitusjohtajien näkemyksiä viestinnästä ja sen roolista osana yrityksen strategiatyötä. Tarkoitus oli löytää vastaus pääkysymykseen: Mikä on toimitusjohtajan näkemyksen mukaan viestinnän ja viestintäfunktion tehtävä yrityksen strategiatyössä. Pääkysymystä seurasi kolme alakysymystä: Miten viestintä on osana strategiatyötä? Mitkä ovat viestintäfunktion edut ja haasteet strategiatyössä? Ja miten toimitusjohtaja näkee itsensä yrityksen strategian viestijänä.

Tutkimusmenetelmät
Tämä tutkimus oli kvalitatiivinen ja käytti teemahaastatteluita aineiston keräämiseen. Empiirinen aineisto sisälsi seitsemän teemahaastattelua: kuusi toimitusjohtajaa ja yksi viestintäjohtaja kansainvälisistä yrityksistä osallistui haastatteluihin. Kaikilla haastatelluilla toimitusjohtajilla on laaja kokemus johtamistyöstä ja pitkä työkokemus toimitusjohtajana. Yksi viestintäpäällikkö valittiin tutkimukseen edustamaan viestinnän kokemusta. Myös hänen työkokemuksensa useiden toimitusjohtajien kanssa nähtiin tärkeäksi osaksi tutkimusta.

Tutkimuksen tulokset
Tutkimuksen tulokset osoittivat, että viestinnällä ja viestintäfunktiolla on tärkeä tehtävä osana yrityksen strategiatyötä ja niillä nähdään oleva oleellinen rooli johtajien strategiatyössä. Lisäksi viestintäfunktio vaikutti oleellisesti yrityksen strategiaan. Myös toimitusjohtajan rooli viestinnän suunnittelussa oli tärkeä. Tulosten mukaan viestinnän päätehtävä strategiatyössä oli yksinkertaistaa yrityksen strategian pääkohdat ja varmistaa, että ne viestitään oikein kaikille sidosryhmille. Toimitusjohtajan ja viestintäjohtajan yhteistyöllä nähtiin olevan suuri merkitys strategiaviestinnän onnistumiseen. Koko yrityksen ulkoista viestintää pidettiin strategiaviestintänä, koska sen tärkein tehtävä on vakiinnuttaa ja ylläpitää yrityskuvaa ja mainetta. Mediaa pidettiin alueena, johon yrityksen ulkoisen viestinnän tulisi panostaa, kuitenkin siinä nähtiin monia haasteita. Tutkimuksen tulokset osoittivat, että toimitusjohtajan rooli strategiatyössä vaihteli henkilöstä riippuen. Toimitusjohtajan roolia yrityksen tiedottajana ja edustajana pidettiin tärkeänä.

Avainsanat
Kansainvälinen   yritysviestintä,   Toimitusjohtaja,   Strategia,   Johtaminen, Johtamisviestintä

TABLE OF CONTENTS

TITLE PAGE
ABSTRACT

LIST OF TABLES

LIST OF FIGURES

1 INTRODUCTION

Today's constantly changing and fast paced global business environment has strengthened the status of communication. The interest in communication in organizations, especially in internationally operating companies is greater than ever. Communication is increasingly considered an integral part of business knowhow (e.g. Charles, 2009) and an essential business tool, as well as a strategic tool of senior management of global companies (Hämäläinen & Maula, 2004).

This constant change and especially the economic downturn throughout the world have created a situation where strategic communication is one of the key factors of success. Kameda (2005), believe that since the world is becoming increasingly globalized, international business communication is more significant for companies than ever. He argues that there is a large difference between domestic business transactions and international transactions. According to Argenti (2003, p. 37) a growing number of organizations recognize the value of communication and more and more money and time is spent accordingly. It can be argued that even the best strategy is useless if its implementation fails (e.g. Argenti, 2003; Juholin, 2001; Walker, 2006; Hämäläinen & Maula, 2004).

Global business settings create the international business environment where companies are operating. To remain competitive organizations are forced to be flexible and to be able to quickly adapt to the changes in their global environment. According to Walker (2006), instead of emphasizing planning, organizing and coordinating, the focus has moved to communication. International business communication and its role in the changing international workplace have become more established.

Louhiala-Salminen (2009, p. 312) argues that business communication can be seen as integrated an 'umbrella' concept covering communication in all levels of organization, both informal and formal communication within the business context. According to Louhiala-Salminen (2009, p. 308), the term 'Corporate communication' is sometimes

used interchangeably with business communication. While the present study focuses on international business communication, also the corporate and management communication aspects are involved. Therefore to use the broader scope, the term 'communication' is used to describe, both corporate communication and business communication.

Although, several studies about communication practices, crisis communication, strategic communication and managerial communication have been conducted (e.g. Hartley & Bruckmann, 2002; Quirke, 2010) they do not have the CEO perspective. Also, some studies about the CEO's role in crisis communication have been conducted (see Lucero & Kwang & Pang, 2009). These studies have looked into CEO's role in managing the crisis with the help of communication. The studies all focused on "how to" aspects in crisis communication (e.g. Ulmer, 2001), no CEOs were interviewed.

According to Argenti (2003, pp. 39-50) many communication experts feel that it is crucial that the CEO of an organization is the force behind the corporate communication. Furthermore, since the communication function needs to add value to the business and must be fully aligned with those making high impact strategic decisions for the company such as the CEO(Argenti 2002, pp. 39-50). However, only a few researchers have taken the executives' point of view into consideration (e.g. Lucero & Kwang & Pang, 2009; Hämäläinen & Maula, 2004) and this area has hardly been examined. No previous studies on CEOs' perspective of communication in the business context were found.

There is a lot of evidence to support the belief that communication is an essential tool in strategic management (e.g. Argenti, 2003; Walker, 2006; Hämäläinen & Maula, 2004) but how it is actually done in practice and to what extent executives are aware of the role of communication in strategy work is a critical issue that needs further research.

1.1. Research objectives

The objective of this study is to investigate CEOs' perspectives on communication and its role in strategy work within organizations. Instead of exploring how communication should be conducted, this study focuses on how CEOs perceive it.

1.2. Research questions

This study focuses on one main research question with three sub-questions. The main research question is the following: What is the nature of communication and the communication function in strategy work from the perspective of the CEO?

To provide an answer to the main research question the following sub-questions are posed:

1. How is communication involved in strategy work?

2. What are the main benefits and challenges of the communication function in strategy work?

3. How does the CEO see him/herself as a communicator of the corporate strategy?

To sum up, the study will examine the nature of strategic business communication from CEO perspective. Studying the role of communication is important because it may be argued that neither strategy nor management would exist without it. In addition, while it is widely accepted (see Cornelissen, 2008; Åberg, 2000; Hämäläinen & Maula, 2004; Argenti, 2003) that communication is integral in senior management's work hardly any research has explored how CEOs feel about communication and how they perceive its significance.

1.3. Structure of the thesis

This study is divided into six chapters. Chapter 1 will introduce the background, gap, research objective and research questions. Then Chapter 2 presents an overview on previous literature and research done in this field, divided into four main parts: Section 2.1 concentrates on the concept of communication in the business context from strategic perspective, which is followed by section 2.2 outlining the role of communication in strategy work. Then section 2.3 describes the link between top management activities and communication. Section 2.4 concentrates on the Internet and communication, in other words the new innovative ways of communicating within organizations. The theoretical framework for the study will be introduced in section 2.5. Chapter 3 will present the data and method of the study. In addition, trustworthiness will be discussed. Chapter 4 will report on the findings of the study and it is followed by Chapter 5, which will detail the findings and discuss them on the basis of the theoretical framework. Finally, Chapter 6 will conclude the study by summarizing the findings, presenting suggestions for further research and presenting managerial implications.

2   LITERATURE REVIEW

This chapter reviews literate and previous research, which focuses on the link between communication, strategy and senior management within an organization. The review consists of an overview of four phenomena: business communication from various points of view, communication from the strategy point of view, managerial perspective on communication in their strategy work and the aspect of the Internet and technological innovations and their influence on strategy communication within organizations.

The chapter begins with an introduction of the concept of communication in the business context from strategic perspective in section 2.1, which is followed by section 2.2 outlining the role of communication in strategy work. Section 2.3 describes link between top management activities and communication. Section 2.4 concentrates on literature about the Internet and communication. The literature review will lead to developing a theoretical framework for the research, which will be introduced in section 2.5 and which will then be used in analysis of empirical findings.

2.1.   Communication in business context from strategic perspective

This section presents communication in the business context from various points of views. It will be focusing on strategic and management aspect of communication. Company-internal and external communication points of views in terms of the target audiences of the strategy communication will be introduced.

Communications within an organization is something that most of practitioners see as essential and vital, but only a few business people truly understand its role (Argenti & Forman 2002). Many researchers (see Argenti, 2003; Louhiala-Salminen, 1999, 2009; Kalla, 2006; Miller, 1996.) propose that communication in the business context can be divided into four different areas: organizational communication, management communication, corporate communication and business communication. Each of these

5

communication areas have certain unique features and have somewhat different perspectives on communication in the business context. Consequently, there exists a wide variety of definitions to terms used on communication in the organizational context. In what follows, four communication areas are briefly described.

Organizational communication has been defined as a discipline that concentrates on the context in which communication occurs and on how the context organizational can affect communication processes (Walker, 2006; Louhiala-Salminen, 2009).

Management communication refers to communication between a manager and employees (e.g. Cornelissen, 2008 p. 196), and as a discipline according to Lamar Reinsch. Jr (2009, p. 279), management communication concentrates on understanding and improving the communicative behavior in the managerial context. Whereas, Åberg (2006, p. 93), defines communication of management to be management work in organizations, in which the following elements are emphasized: interpretation, producing and distributing the information, interaction along with motivating and encouraging of the employees.

According to Cornelissen (2008, p. 5), corporate communication can be defined as a management function that offers a framework for the effective coordination of all internal and external communication. Its overall purpose is to establish and maintain favorable reputations with different stakeholder groups both internally and externally. It is argued that corporate communication is developed from public relations (see Cornelissen, 2008; Louhiala-Salminen, 2009; Argenti, 2003). Yamauchi (2001) defines corporate communication as the act of effectively conveying to a company's stakeholders the corporate philosophy that the company regards as the ultimate expression of its corporate culture. Since corporate communication involves selectively communicating the company'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 as just an information activity but as a corporate management issue.

Business communication can be seen as the widest term of these four disciplines. Louhiala-Salminen (2009, p. 312) argues that business communication can be seen as an integrated 'umbrella' concept covering communication in all levels of the organization and both informal and formal communication within the business context.

Hartley & Bruckmann (2002) define that the 'art' of communications is finding the most effective means of sharing ideas and information. Alternatively, Åberg (2000) has defined communication within an organization as a three-dimensional resource. Figure 1 shows that on one hand it is seen as a function, while on the other hand it can be seen as a strategic tool that is integrated into strategic management. Furthermore, communication is essential to all management activities and the management does not exist without communication.
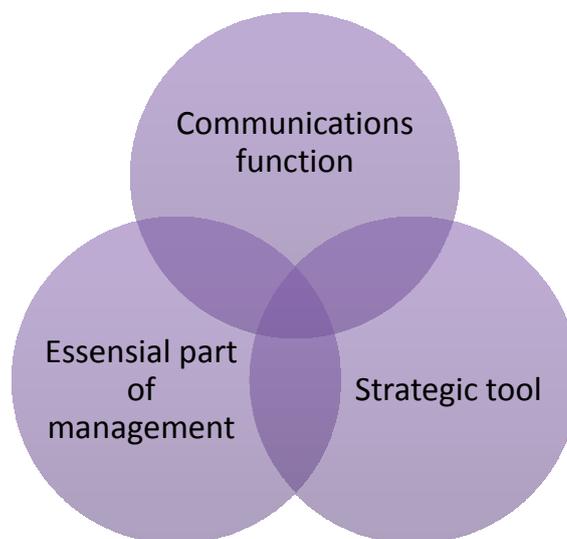

Figure 1. Communications as a three-dimensional resource (Åberg, 2000)

As can be seen from Figure 1, communication can be seen as strategically important function that is part of management.

Various definitions of the activities of the communication function within the organization exists (see e.g. Juholin, 2001; Åberg, 2000, 2006; Cornelissen, 2008;

Argenti, 2003; Argenti & Forman, 2002) For example, Juholin (2001 p. 40), has indentified six most important organizational communication activities: marketing, organization's influence on its environment, profiling, listening, internal and external information, enabling message transfer and dialog. The role and importance of these varies depend on the situation. Also, Argenti & Forman (2002, p. 58), has defined the following 11 areas as the key activities of the corporate communication function:

- Strategy formulation and implementation
- corporate identity, image and reputation
- corporate advertising
- customer relations
- employee communication
- investor relations
- government affairs
- community relations
- media relations
- crisis communication
- management of new communication technologies

According to Argenti & Forman (2002), not every company will be including all these 11 activities in their communication function, but they argue that majority of these must be included for the communication function to operate the best.   According to them, some of these element like advertising and the management of the corporate identity and image and reputation are performed globally and companywide. Whereas, some of the activities are targeted more narrowly to a particular constituency to the company as a whole, such as employees or investors.

Similar to Argenti & Forman (2002), Cornelissen (2008, p. 30-31), has defined an integrated framework for managing communication in organizations. He argues that there are ten main areas of corporate communication as can be seen from Figure 2.

Figure 2. Corporate communication as an integrated framework for managing communication

As the Figure 2 defines there are both internal and external activities of the corporate communication. Also Goczol & Scoubeau (2003) argue that in international environment corporate communication induces highly differentiated policies concerning both internal and external communication. According to Cornelissen (2008) the internal communication was distinguished from forms of external communication. Consequently Cornelissen (2008) presents that public affairs, issues management, investor relations, media relations, advertising, direct marketing, sales promotions, community relations and publicity are in terms of the target group identified as external communication.

Clutterbuck (2001) states that a well operated communication function within an organization needs to be involved both in internal and external actions. Hämäläinen & Maula (2004) argue that sometimes the line between internal and external communication can be thin. For example, Cornelissen (2008) argues that the advent of new technologies (e.g. Internet blogs and emails) has meant that the message to employees do not always remain 'inside' the organization.

Next the communication within the company is examined in more detail depending on the target audience of the communication. First internal communication is presented followed be external communication point of view.

9

2.1.1   Internal communication activities in organizations

According to Cornelissen (2008, p. 195) the term that often is used to refer to internal communication are 'employee communication', 'staff communication', and 'internal communication'. Internal communication, which is the term used in the present study is traditionally defined as communication with employees internally within the organization.

While, Kalla (2006) has created a framework for mixture of different areas of communications. According to her findings presented in Figure 3, four areas i.e. managerial communication, business communication, corporate communication and organizational communication are all part of integrated internal communication.

Business communication	Management communication
Internal intergarted communication	
Organizational communication	Corporate communication
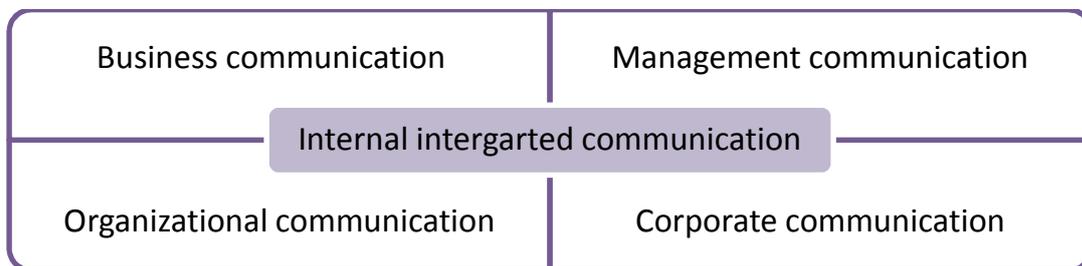
Figure 3. Conceptual framework for integrated internal communications   (Kalla, 2006 pp. 52-54)

As can be seen from Figure 3 all the four areas of communication are linked to each other and together form a combination. Furthermore, she argues that definition for integrated internal communication can be expressed as *"all formal and informal communication taking place internally at all levels of organization"*.   However, Clutterbuck & James (1997) present that many organizations have taken internal communication on board merely as some form of insurance to facilitate the acceptance

of change. When internal communication is used in this way, the communication process will remain top-down and be associated with information-giving rather than dialogue. However, they argue that internal communication should be an exchange of information, responses, ideas and feelings. Argenti (2003) emphasizes that communication with employees should be a two-way process and argues that the tools to communicate with the employees are for example, Intranet, company magazine and employee-manager discussion

Cornelissen (2008, p. 71-73) argues that corporate communication has one important internal communication dimension: organizational identity, which is articulated by senior managers and experienced by employees. Also according to Goczol & Scoubeau (2003), internal communication takes part in the construction of the firm's image which depends on what the employees transmit outside the company. A good transfer of the identity via the members of the company is particularly vital in the creation of the trust atmosphere around the firm and in the approach of the environment in terms of risks reduction. According to Cornelissen (2008, p. 198) when employees perceive their organization to associated with a strong reputation and prestige in the eyes of outsiders, they often feel proud to belong to that organization.

Also, Argenti & Forman (2002) argue that with internal employee communication, the company management can enhance the employees motivation to work align with the company strategy. They believe that enlightened managers know that the more relevant and timely the information they provide to employees, they more likely are highly motivated to do better further the goals of the organization itself.

2.1.2 External communication activities in organizations

According to Yamauchi (2001) communication essentially externally means the act of sharing knowledge. The effect of this knowledge-sharing is that people's perspectives and assessments of a company are strongly something that can be influenced with communication. Furthermore, Cornelissen (2008, p. 71-73) argues that external

11

corporate communication has three important dimension: a.) corporate identity, which is the image projected by the organization. b.) corporate image, which represent the stakeholders immediate impression of the organization in relation to a specific message. c.) corporate reputation, which refers to stake holder's collective representation of past images established over time.

Occasionally, like in case of public limited companies, external communication is highly regulated by laws like security markets law. According to Mars, Virtanen & Virtanen (2000), External communication in public limited companies there are certain guidelines that strictly regulate how to conduct external communication.

2.2. Strategic role of communications within organizations

This section presents role of communication from strategic point of view. It will be focusing on areas of strategy communication and on different communication activities in company's strategy work. Also communication strategy and its role in the overall strategy work are discussed.

According to Goodman (2001) communication is strategic, now more than ever. Many company executives consider communication as purely tactical in both its nature and its execution. In information driven age, communication is an integral part of the corporate strategy. Strategic issues include an orientation of communication to an organization's priorities, as well as toward the external environment. Integrity and credibility are the pillars of strategic communication. Realistic measurement systems and processes for improvement are strategic tools for success.

Johnson, Scholes and Whittington (2009) argue that strategy is something that do not just happen itself but requires management, especially top-level management to contribute. According to Whittington (2006) strategy can be defined as follows: it is both a central managerial activity within a certain company and external phenomena and its possible contribute to the whole society. Whereas Steyn (2003) argue the strategy can also be defined through management, it refers to the methods by which

strategies are derived, referring to the different steps or phases through which strategies are formulated and implemented.

Hämäläinen & Maula (2004, pp. 28-30) have defined three areas of strategy communication: 1. communicating the content of the strategy, 2. Implementation of the strategy, 3. Communication relating to strategy process. The first one includes all communication regarding the content of the strategy, also creating a coherent and mutual understanding of the strategy. The second area concentrates on the implementation stage of the strategy while the third area is about communicating the strategy process for example its practices and timetable.

Clutterbuck (2001) states that the role of communication function can be considered to have three main tasks: consultant, enabler and partner. The role of a consultant includes the recommendations and advices given to all levels in organization e.g. on how to maintain dialogue with their multiple audiences. Cluttenbuck (2001) also considers that the communication function's primary mission is to provide support to other functions. The role of an enabler then again contains establishing and maintaining company-wide and audience-specific communication channels. Moreover, enabling the feedback systems and channels of information sharing. Partner refers to the role of being a reliable unit that contributes to the issues of communication competence e.g. IT and Human resources (HR) can be seen as these kinds of partnerships. IT as the enabler of communication support systems and HR as a function which concentrates on the communication development needs of managers at all levels.

Cornelissen (2008, pp. 100-103) argues that the corporate strategy is concerned with the overall purpose of the organization whereas communication strategy is a functional strategy concerned with how corporate communication can develop the communication programs to support the objectives of corporate strategy. Figure 4 shows the dynamics between corporate strategy and communication strategy.
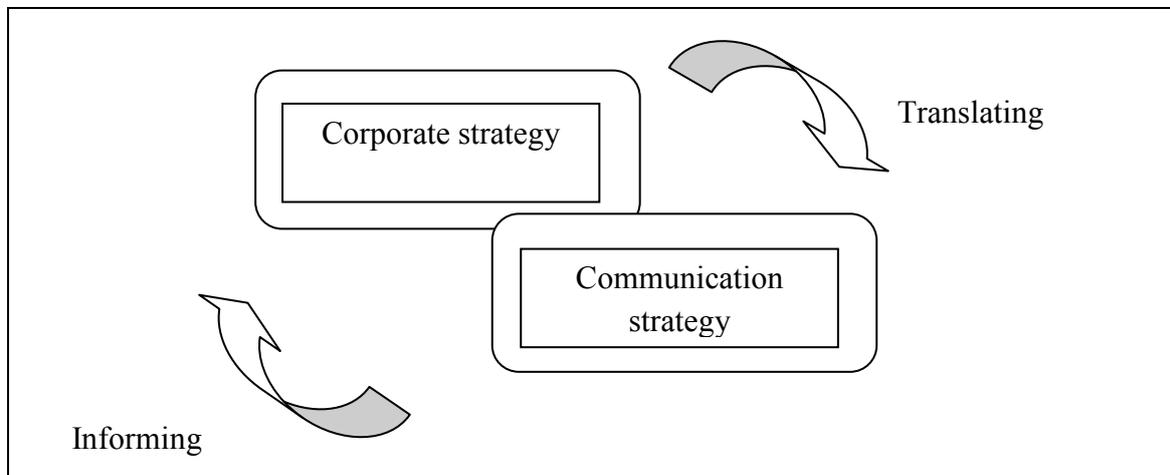
Figure 4. The link between corporate strategy and communication strategy

As Figure 4 illustrates the decisions that are made on the level of corporate strategy need to be translated into specific communication programs and activities. In other words, the task of senior managers is to determine which elements of the overall strategy are communicated to which constituencies. At the same time corporate communication and communication strategies need to be linked to corporate strategy. The link consists of counseling and informing the CEO on stakeholder and reputation issues that these can be integrated into the overall corporate strategy. Furthermore, Dolphin & Fan (2000) argue that a communication strategy is an essential for any organization and that needs to be formulated by the communication director in close conjunction with the CEO and the Executive Team.

Moreover, according to Argenti (2003), when developing an overall strategy companies need to consider how their corporate communication activities are involved in corporate strategy process therefore Argenti (2003, p. 34) has indentified an expanded corporate communication strategy framework.

Figure 5 shows an expanded corporate communication strategy framework, developed by Argenti (2003).

Messages
- What is the best communication channel
- How should the organization structure the message?

Organization
- What does the organization want each constituency to do?
- What resources are available?
  - Money
  - Human resources
  - Time
- What is the organization's reputation?

Constituencies
- Who are the organization's constituencies?
- What is their attitude about the organization?
- What is their attitude about the topic?

Constituency responses
- Did each constituency respond in the way the way the organization whished?
- Should the organization revise the message in light of the constituency responses?

Figure 5. Expanded corporate communication strategy framework

As can be seen in Figure 5, message, constituencies, constituency responses and organization are all linked and together combining a corporate communication strategy. It shows that communication is an ongoing process rather than system with a beginning and an end.

Hämäläinen & Maula (2004, pp. 44-45) present that external communication is also vital in terms of strategy. They believe that communicating strategy to external interests groups needs to be well planned taking the following points into consideration. It needs

to be specified which target groups need the information about strategy and also if there exist audiences that the organizations do not wish to reach. Moreover, it is also important to specify groups that should not be the receivers of the message, like competitors. Also Steyn (2003) argue that in the strategy work for each major strategic issue, the organization must think through the effects on a number of stakeholders. For each major stakeholder, managers responsible for that stakeholder relationship must identify the strategic issues that affect the stakeholder and must understand how to formulate, implement and monitor strategies for dealing with that group.

According to Steyn (2003) strategy process can be divided into strategy planning, implementation and control as Figure 6 below presents.
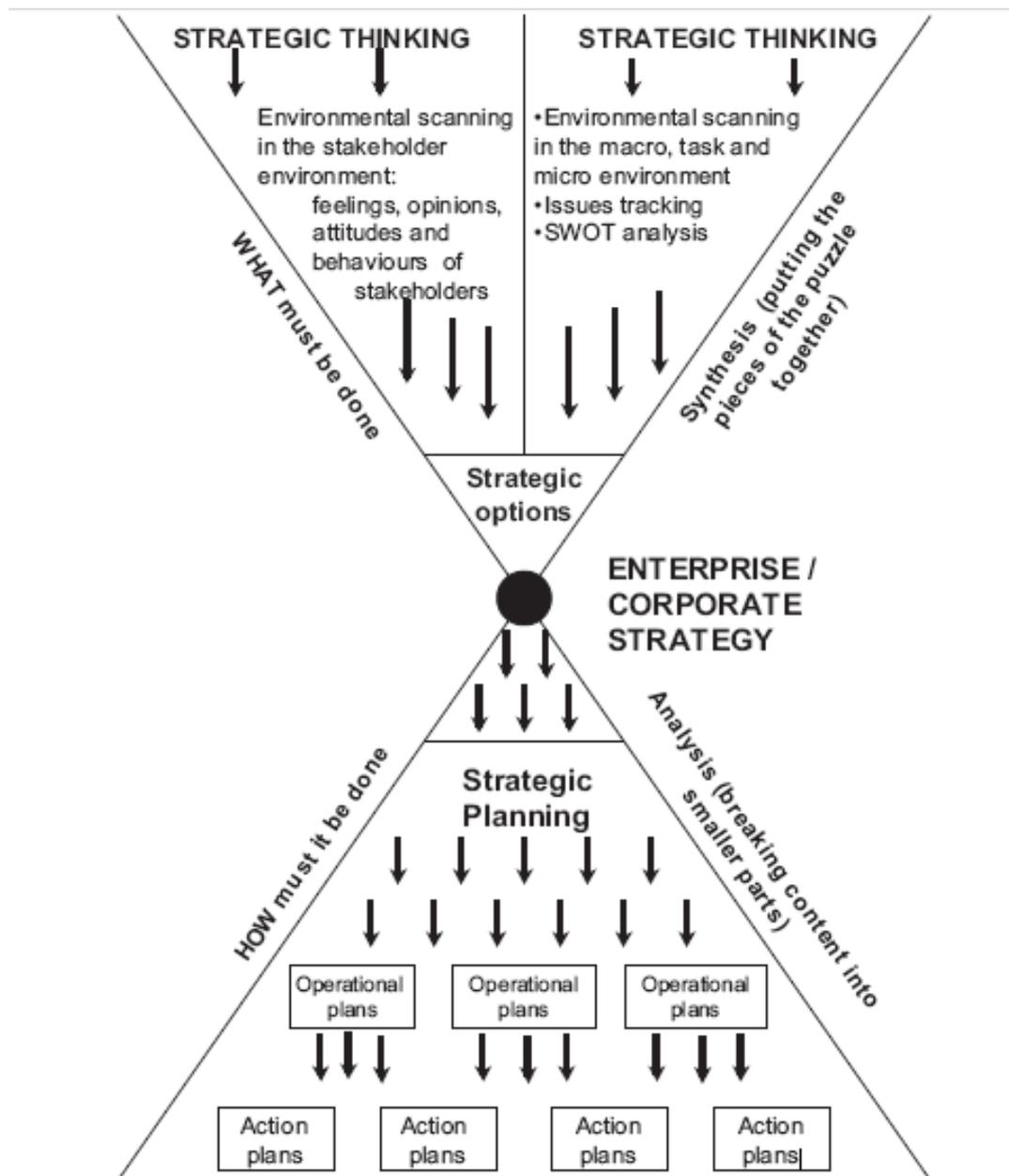
Figure 6. From strategic thinking to the action plans   (Steyn, 2003)

As can be seen form Figure 6, strategic planning puts the strategy into practice helping to choose how to get there. The chosen strategy is created for each division or business, resulting in the strategic plan that integrates the activities of the organization and specifies the timetable for the completion of each stage. In the implementation phase, the strategy is turned into reality by means of more detailed and shorter-term plan at progressively lower operating levels of the organization. In the control phase,

17

management seeks to ensure that the organization stays on track and achieves its goals and strategies.

According to Hämäläinen & Maula (2004, p. 13) even a good strategy cannot be successfully implemented if it is understood by senior management only. They suggest that strategy implementation can be accomplished only if all the levels in the organization are aware of strategic goals and of the means to achieve them. Among other things, strategy communication is a tool to accomplish that shared knowledge. Also Argenti (2003) suggests that communicating strategy involves a clear understanding of the company's objectives and analytical comprehension of all constituencies to be able to choose appropriate channels and to deliver a clear strategic message. Cornelissen (2008, p. 31) argues that if communication practitioners' has higher position in organizations hierarchy he/she is better able to coordinate communication from the strategic level. Also Dolphin & Fan (2000) studied the role and tasks of corporate communication executives and their impact to the formulation of strategy. They claim that corporate communications has a key role in the strategic planning of an organization and that the higher the communication director is in the organization's hierarchy the more central the role of the communication in the formation and implementation of the strategy.

Sterling (2003) emphasizes that too many strategies fail because of poor communication. Therefore it is crucial that resources are dedicated to continuing and persistent communication. Recent events and business results need to be linked to the strategy. Cornelissen (2008, p. 100) also suggests that corporate communication and communication strategies need to be linked to the corporate strategy. This link consists of counseling and informing the CEO and senior executives on stakeholder and reputation issues so that they are aligned with corporate strategy.

Steyn (2003) emphasizes that focusing on the efforts of the communication function within a strategy will demonstrate its contribution to organizational effectiveness.

Practitioners must not focus on pushing communication higher up senior management's agenda, but rather connect communication to what is already at the top at that agenda.

According to Clutterbuck (2001) communication functions as such do not add value to the business. However, they do add value indirectly by influencing the following critical business elements: 1. the clarity of business and its propose. 2. The effectiveness of communication systems, many of which may not be under their direct control or influence; 3. The communication behavior of top management.

2.3. Top-Management and strategy communication

This section presents literature on the role of strategy communication from top-management point of view. It will be focusing on areas of strategy communication and its role in management work.

Reinsch (2009) suggests that top level managers spend a lot of their time communicating, sometimes as much as 90 per cent of the workday, using multiple media, both inside and outside of the company. However, individual managers' communication practices vary a lot. Many researchers have suggested that managerial work consists of the following functions: planning, organizing, coordinating and controlling (Johnson et al., 2009; Reinsch, 2009). According to Suominen & Karkulehto & Sipponen & Hämäläinen (2009, p. 14), managers affects to the interpretation of the strategy whether they intend it or not. Therefore they present that managers need to be aware of their role in strategy work.

According to Steyn (2003) strategic management is defined as a continuous process of thinking through the current mission of the organization, thinking through the current environmental conditions, and then combining these elements by setting forth a guide for tomorrow's decisions and results. Whereas Frigo & Litman (2001), argue that strategic management can be described to have two powerful pillars of management thought and activity, one of business strategy and one of business execution

Reinsch (2009, p. 279) on the other hand argues that management communication is something that includes behavior of managers, human resources, organizational performance and individual achievements of the current manager. Argenti (2007, p169) argue that CEO, CFO and individuals for company's IR need to work closely together.

Quirke (2010), has indicated four leader types in terms of communication: 1. Director, one that gives a clear sense of direction. 2. Visionary, an enthusiastic leader who has unspecific vision. 3. Empathizer, leaders who can "feel the pain" of their people. 4. Structurer, someone that is better with process than people.

Argenti (2007), emphasizes that to support their leaders communicators need to become more understanding of their leaders' styles, strengths and weaknesses to give them the right kind of coaching. There's no single style of the leader, and different leaders have different styles. Also Quike (2010,4), argues that communicators are required to be experts in both their leaders' communication styles and those of employees, so that they can get the best match that would fit for both of these two. According to Clutterbuck (2001), communication professionals are often seen as assisting top management to become more effective communicator, according to Cluttebuck (2001), it is one of their hardest tasks.

Argenti (2002, p. 46), also emphasizes that the strong commitment of the CEO to the corporate communication function and the working partnerships between CEOs and directors of corporate communication can make a difference between the success and failure of the function and moreover can enhance the company's ability to obtain strategic objectives. Communication approaches that may have helped executives in good times can make things worse in bad times.

According to Mars et al., (2000) in Public listed companies the CEO is the most important spokesperson to external audience. Their most important task is to inform about the organization's strategy and its implementation. The CEO is the person that that media listens or at least is interested in her/his ideas. Therefore strategic

communication of the CEO requires a lot of work, and training, since not only what is said but how it is said will be interpret by e.g. media. Argenti (2003) points out CEOs' vital role also in internal communication. The CEOs are the ones that are the visionaries within a company and all communications relating to organizational strategy starts with them.

2.4. Communication in the Internet age

This section presents the literature on how new technology and the Internet have influenced on communication. Also strategy communication and CEO communication are discussed in terms of current changes in the field of communication.

Many companies have made enormous investments in new technology to enable both finding new ways of communicating and also spreading the message more quickly across the organization (Hartley & Bruckmann, 2002). Teck (2006), presents that there is an emergence and rapid rise of technological innovations and social media as part of corporate communication. According to him the dynamic role of technology is a business driver and should assist corporate communication practices in stimulating strategic thinking. Whereas Goodman (2001) presents that the Internet has changed dramatically the way people in companies communicate internally and externally.

Marken (2005) argues that blogs have the potential to be an effective and efficient corporate communication tool because of the unique characteristics facilitating both one- and two-way communication, and both mass and interpersonal communication. Therefore, it is argued that blogs offer a unique channel for a corporation to directly communicate with its publics in an intimate way that resembles interpersonal communication. Cho & Huh (2010) concluded in their study about corporate blogs as a relationship management tool that although the majority of corporate blogs seem to have features that facilitate social networking, most corporate blogs were connected rather internally to target internal stakeholders, like employees. Their findings reveal that a growing number of major corporations in the USA have adopted blogs as a

corporate communication tool, although it is still a very small portion of major corporations and that most major corporations that adopted corporate blogging in 2006 were still maintaining the practice in 2008.

Teck (2006) presents that the CEO have received hardly any guidance on their role in social media, even tough with continuing technological enhancements is leading to even more flexible use of new ways in communication.

2.5. Theoretical framework

This section presents the theoretical framework for the study. Now after reviewing the relevant literature for the propose of the study, which is to examine CEO perceptions of the nature of communication in strategy work. The theoretical framework is built upon on one main theory, which is Åberg's (2000) theory of communication within an organization as a three-dimensional resource. According to Åberg (2000), communication can be seen as strategically important function that is part of management work. In other words, on one hand it is seen as a function, while on the other hand it can be seen as a strategic tool that is integrated into strategic management. Furthermore also the following areas will be integrated to Åberg's theory to form a theoretical framework for the present study: definitions of key elements of communication in organization by Juholin (2001), Argenti (2003) and Cornelissen (2008) as well as strategy communication aspects of Hämäläinen & Maula (2004) and Mars et al., (2000). Strategy work aspects by Steyn (2003) and in addition new technology and communicating in the Internet era by Teck (2006) and Goodman (2001).

Figure 7 presents the theoretical framework for this study and consists of five components. First component is 'The role of communication in the strategy process', which refers to the involvement of communication function in different stages of the strategy process. According to Steyn (2003) strategy process can be divided into strategy planning, implementation and control.

Also Hämäläinen & Maula (2004, pp. 28-30) argue that in strategy process the task of communication function is to communicate the content of the strategy in the implementation of the strategy. Cornelissen (2008), further argue that planning of the communication strategy is also important part of the overall strategy process. According to Cornelissen (2008 pp. 100-103), besides the role in the company's strategy process that communication strategy is a functional strategy concerned with how communication can develop the communication programs to support the objectives of corporate strategy.

THE ROLE OF COMMUNICATION FUNCTION IN INTERNAL STRATEGY WORK

THE ROLE OF COMMUNICATION FUNCTION IN EXTERNAL STARTEGY WORK

- STAKE HOLDERS
- CUSTOMERS
- MEDIA
- OTHER EXTERNAL INTEREST GROUPS

COMMUNICATION AS PART OF STRATEGIC MANAGENENT

- ENABLER OF THE MESSAGE
- EMPLOYEES AS INTEREST GROUP

THE ROLE OF COMMUNIATION IN STRATEGY PROCESS

CEO PERSPECTIVE ON STRATEGIC COMMUNICATION

THE AFFECT OF INTERNET AND TECHNOLOGY TO STRATEGY COMMUNICATION

- PLANNING
- IMPLEMENTATION
- REPORTING

- SOCIAL MEDIA
- CEO BLOGS

Figure 7. Theoretical Framework for CEO perspectives of strategic importance of communication

Second and third components presented in theoretical framework of this study in Figure 7 are: 'The role of communication function in internal strategy work' and 'The role of communication function in external strategy work'. These refer to the activities that the communication function have in terms of internal and external strategy work, in particular from different stakeholders' point of view. As Cornelissen (2008), argue the overall purpose of company's internal and external communication is to establish and

maintain favorable reputations with different stakeholder groups both internally and externally.

Steyn (2003) agrees and that in the strategy work for each major strategic issue, the organization must think through the effects on a number of stakeholders. For each major stakeholder, managers responsible for that stakeholder relationship must identify the strategic issues that affect the stakeholder and must understand how to formulate, implement and monitor strategies for dealing with that group. Furthermore, Hämäläinen & Maula (2004, pp. 44-45) believe that communicating strategy to interests groups needs to be well planned. For example, it needs to be specified which target groups need the information about strategy.

The fourth component of the theoretical framework of the present study is 'Communication as part of strategic management', which refers to management and how CEOs especially see themselves as communicators of the corporate strategy. According to Mars et al., (2000) the CEO is the most important spokesperson to the external audiences of the company. Their most important task is to inform about the organization's strategy. Argenti (2002, p. 46), emphasizes that the strong commitment of the CEO to the communication function and the working partnerships between CEOs and the communication director can make a difference between the success and failure of the function and moreover can enhance the company's ability to obtain strategic objectives.

The fifth component 'The influence of the Internet and technology on strategic communication' refers to new technology and its effects on communication. According to Goodman (2001) the Internet has changed dramatically the way people in companies communicate internally and externally. Teck (2006), agrees and presents that there is an emergence and rapid rise of technological innovations and social media as part of corporate communication and this continuing technological enhancements is leading to even more flexible use of new ways in communication. However, Teck (2006) presents that the CEO have received hardly any guidance on their role in social media

To conclude Section 2.5 according to the theoretical framework of this study presented in Figure 7, five main components are used to analyze CEO perspective on the nature of communication and the communication function in strategy work:

1.) The role of communication in the strategy process

2.) The role of communication function in internal strategy work

3.) The role of communication function in external strategy work

4.) Communication as part of strategic management

5.) The influence of the Internet and technology on strategic communication

3   DATA AND METHODS

This chapter describes the research methods of the study, the reasons for choosing them and discusses the trustworthiness of the study.

3.1. Semi-structured interviews

This study uses a qualitative research approach: semi structured interviews. According to Hirsjärvi & Hurme (2010), typically in qualitative research the researcher achieve comprehensive information on the topic when the research material is collected in natural and real situations. In qualitative research people are used as research instruments and the researcher relies on the conversation with the people. The sample of qualitative research is not chosen randomly but carefully in order to find the best people to answers the questions.

All chosen interviewees had extensive working experience in management and chief executive positions and therefore represented excellent sample for the study to share their opinions on the CEO perspective on communication in the business context. One Communication Director was chosen for the study to represent an experienced business professional with communicational background. In addition, his working wide experience with multiple CEOs was seen as an important aspect for the study.

According to Hirsjärvi & Hurme (2010), if the research topic is complex and difficult to measure with numbers, by interviewing people the topic can be better understood and interviewees may bring up issues that the researcher would not otherwise realize to research. In addition, they argue that semi-structured interviews with predefined themes and questions are best suitable for a unique and complex topic such as the present one.

The semi-structured interviews were conducted in seven public limited organizations in Finland during May – June 2010, number of employees of the organizations ranging from 500 to 27 000. Interview invitations were sent by email to 17 CEOs and one Communication Director in April. The recipients of the invitation were selected according to the following factors: all represented top-management of internationally operating public limited companies, their contact information was available online and they represented different fields of business.

The email invitation for the interview can be found in Appendix 1. The email invitation was short and explained why each company would be an essential part of this study. The one Communication Director agreed to the interview, but of the 17 emails that were sent out to the CEOs 11 received replies. Two CEOs declined the invitation due to scheduling problems and nine CEOs accepted the invitation. However, later two of them cancelled due to scheduling problems. Therefore, seven interviews were conducted. The majority of the interviews were rescheduled more than twice.

The interviews were carried out in May - June 2010. The framework for the interview can be found in Appendix 2. All interviews were conducted in the interviewees' company premises and were carried out in Finnish, which was the native tongue of all the interviewees and the interviewers. The interviews were recorded and transcribed within two days (Hirsjärvi &Hurme, 2010, pp.138-139). Table 1 shows more detailed background information of the interviews, interviewees and their companies.

Table 1. Background of the interviews, interviewees and their companies

	Organization type	Industry	Position of the interviewee	Gender	Years in the company	Date of interview	Duration of interview
1	Public limited company	Pharmaceutical	CEO	M	11	5.5.2010	45 min
2	Public limited company	Paper and paperboard	Communication Director	M	1	12.5.2010	35 min
3	Private company	Newspaper	publisher and editor-in-chief CEO	M	10	17.5.2010	35 min
4	Public limited company	Basic iron and steel and ferro-alloys	CEO	M	8	18.5.2010	30 min
5	Public limited company	Health care	CEO	F	0,5	18.5.2010	50 min
6	Public limited company	Chemical products	CEO	M	24	19.5.2010	35 min
7	Public limited company	Teleoperations	CEO	M	7	2.6.2010	35min

As can be seen from Table 1, the seven interviewees represented a diverse group of organizations in different fields of business; six of them represented international companies, while one company operated mainly in Finland but due to the organizational type being a public limited company this company also had an international business environment for example international shareholders. There were six men and one female interviewee. Depending on the interview, the duration was between 30 min – 50 min. Due to scheduling problems one of the interviews were short, since the interviewee were able to only commit to 30 min interview.

The interviewees came from different educational backgrounds: business, arts and social sciences. Most of the interviewees had double university degrees. Also, the interviewees' years of employment within the particular companies varied from 0.5

29

years to 24 years, but they had experience from similar position. Furthermore, the ages of the interviewees varied from early 40s to early 60s.

3.2. Trustworthiness of the study

When it comes to trustworthiness of research, according to Hirsjärvi & Hurme (2010, p. 35), conducting interviews is a data collecting method that allows participants to freely express their opinions and enables dialog. Therefore the semi structured interviews, used in the study provide a profound way of investigating opinions of CEOs on communication.

According to Bryman & Bell (2003, p. 288), trustworthiness of a study can be examined through external reliability, by which they mean the degree to which the study can be replicated. In other words, they argue that if the same study is repeated, it should lead to the same finding. In this study, the reliability is enhanced by detailed and descriptive reporting of the interview process.

According to Hirsjärvi & Hurme (2010, p. 189), reliability concerns more the actions and patterns of the researcher than those of the interviewees. In addition, they argue that the trustworthiness of the interview research data can be improved by carefully planning the interview framework and transcribing the interview data as soon as possible. In this study the interview framework was carefully developed and the transcriptions were conducted within two days of the interviews.

However it needs to be taken into account that this study focuses on the opinions and perspectives of CEOs and according to Hirsjärvi & Hurme (2010, p.189), interviewees' opinions and perspectives tend to change overtime, due to acquired knowledge and further awareness of the topic. They also argue that the interviewee and interviewer and their co-operation both contribute to the outcome of the interview. Therefore if the research was done in different companies or with different interviewees or interviewer the results could be slightly different.

4 FINDINGS

This section will present the findings of the study, based on the interviews with the six CEOs and one Communication Director of major Finnish companies. As presented in Chapter 1, the main research question was: what is the nature of communication and the communication function in strategy work from the perspective of the CEO? In order to provide an answer to the main research question, the three sub-questions presented in Chapter 1 need to be answered first. They were:

1. How is communication involved in strategy work?

2. What are the main benefits and challenges of the communication function in strategy work?

3. How does the CEO see him/herself as a communicator of the corporate strategy?

The findings will be reported in the order of the three sub-questions. Section 4.1 will present the findings on to what degree communication is involved in strategy work and Section 4.2 will report on the main benefits and challenges that CEO sees in strategy work in terms of communication. Section 4.3 concentrates on management communication and more specifically on how the CEOs see themselves as strategy communicators.

In the present chapter, the six CEOs and Communication Director interviewed will all be presented as a group of interviewees. According to Sandelowski (2001) the researcher of qualitative research can choose to use pronouns connoting indeterminate quantity. Therefore in the study the following connoting indeterminate quantities are used: If all (7) of the interviewees or only a few (2-3) share an opinion, it will be specified in the text. However, if most (>4) of the interviewees share the same opinion, it will be reported without special emphasis. Also, the Communication Director's point of view will be highlighted only if it differs from that of the CEOs'. For practical

reasons, sometimes the interviewees are referred as "the CEOs" and not "the CEOs and the Communication Director".

4.1. Communication in strategy work

This section reports on the interviewees' perspectives on the communication function's involvement in the strategy process and on the role communication plays in practice during the process and thus answers to the first sub-question of the study. This section is divided into five sub-sections: 4.1.1 reports on the findings on the role of communication in the different stages of the strategy process. Sub-section 4.1.2 concentrates on the strategy process from the perspective of company's internal communication activities, followed by Sub-section 4.1.3 which focuses on the strategy process from the perspective of external communication activities. Sub-section 4.1.4 shows the findings on the qualities of an ideal communication function and its required characteristics are presented and Sub-section 4.1.5 presents current trends and future insights of the communication in strategy work as perceived by the interviewees.

4.1.1   Communication in different stages of strategy process

The communication function's involvement in the strategy process varied in the seven organizations. In most of the investigated organizations the strategy process included three stages: planning, implementation and reporting on the success of the company's strategy. Planning and implementation were mentioned by all the interviewees, but the conception and the term used for the third stage varied. While some interviewees described it as "a reporting system", others used the term "feedback loop". However, the main idea behind the content of the third component of the strategy process was the same that is to follow up the actions taken during the strategy process.

In what follows, the three stages are referred to as strategy planning, strategy implementation and reporting. First, according to the interviewees the communication

function was not usually part of strategy planning, but a few interviewees had an opposite view. They said that since the Communication Director is a member of the board of directors, communication is also part of the strategy process at the planning stage already. However, all the interviewees shared an opinion that it is extremely important that the communication function is aware of all the aspects involved in strategy planning to be able to communicate it as can be seen from the two quotations [1] below.

"The best way to involve communication in strategy planning is to have the Communication Director as a member of board of directors. That way the information about strategy becomes automatically to them. It cannot be like read this memo and then based on that create a plan on how to communicate it, quite the opposite. If the Communication Director is part of the planning then the communication of the strategy has better quality and it has more substance in it."

"Strategy needs to be crystal clear for the communication function when it is time to plan the implementation stage of the strategy"

The second stage of the strategy process was identified as the implementation of the strategy. All the interviewees had a similar perspective of the important role that the communication function and communication actions have in the implementation stage of the strategy process. The interviewees emphasized that the communication function had to be an expert in the company's strategy in order to communicate it. The quotations below describe the interviewees' opinions on the implementation stage of the strategy process:

---

[1] Since all the interviews were conducted and transcribed in Finnish, the quotations used in the study, were translated into English by the researcher. Therefore, the researcher alone is responsible for any possible inaccuracies in the translations.

> *"First the strategy needs to be crystal clear, and after that it is the role of communications is to find the innovative channels to communicate the strategy and its goals."*

> *"Effective strategy communication can enhance a bad strategy and on the other hand, even an excellent strategy can be destroyed with bad communication at least on a short term."*

The third stage of the strategy process, was considered to be a well established reporting system of the success of the strategy. Especially internal feedback channels and reporting systems, for example, to find out how employees comprehended strategy were important as can be seen from the quotations below:

> *"Reporting is extremely important part of the communication function and it actually creates a platform so that communication can confirm that it has accomplish the expectations and results that were set"*

> *"Feedback and especially internally conducted surveys about the strategy process and its success are extremely important. It is important that afterwards appropriate changes are made depending on the feedback received"*

In addition to the reporting systems, also, different types of surveys like industry benchmarking, employee satisfaction survey and media coverage survey were tools that number of the interviewees mentioned as essential to enhance the strategy work in the future.

According to the interviews, the planning of strategy communication is an important part of the overall strategy process. In all the investigated organizations the CEO contributed to the communication plan of the strategy. The CEOs role in strategy communication planning was believed to be important and the CEO's role was

described to be an advisor and a reviewer. One interviewee additionally emphasized regular planning of strategy communication as follows:

"The CEO is certainly taking part in the strategy communication planning more or less weekly, not that it would change drastically all the time, but it is still changing, altering and developing constantly. In my opinion that is the way it should be; situations do change so does strategy, why not communication. "

The interviewees described the communication within the organization to have two dimensions; Company-internal and external communication. This categorization was done from the view point of activities conducted in communication and also from the target group point of view.

In the next sub-section the contribution of company-internal communication to the strategy work will be discussed in more detail. The findings are reported to show how communication is conducted to enable the implementation of the company's strategy within the company.

4.1.2 Internal strategy communication

All the interviewees argued that the two most important tasks of company-internal communication in strategy work were to communicate the core idea of strategy and to choose the appropriate channels to reach all internal stakeholders and interest groups within the organization. In other words, the communication function's role was to make sure that the core idea of the strategy was communicated correctly to all levels of the organization.

First, in order to communicate the core idea of the strategy, the content of the strategy message needed to be formulated. From the strategy point of view, the content of the message was perceived as crucial. According to the interviews, the style of the message needed to be clear and consistent. The important task of internal communication was to

create explicit, logical and rational message with accurate substance. The following excerpts illustrate the way interviewees emphasized the content of the strategy message:

"The messages need to be well-worded, concise and logical and moreover the ideas need to be justified."

"Consistency is the key in internal strategy communication; the messages need to be short, but well structured."

"It all begins with a good strategy. The substance needs to be excellent and throughout in detail. Subsequently, it should be an easy task for the communication function to first comprehend the strategy and then to make it simple and easy to understand. "

Some interviewees were of an opinion that it was not enough that the strategy message was accurate and had substance, but it also needed to act as a motivator, to direct employees to the right path in terms of strategy implementation. One of the interviewees emphasized that motivation was the key of successful strategy communication as can be seen from the following quotation:

"The strategy message needs to have substance, but moreover it needs to present the substance as attractive and interesting as possible. One key point when communicating with employees is not only to inform them about the strategy, but also to inspire and motivate them to work and act accordingly."

Secondly, in order to communicate the core idea of the strategy the channel choice of the strategy message in investigated organizations was perceived to have strategic value in internal communication. Using accurate channels and ways of communication to reach the target audiences was described as an important aspect of strategy implementation. For example, one interviewee said that the channel choices needed to be innovative also in internal communication so that they would reach all the intended target audiences. He argued that besides the use of the intranet, there should also be other channels in use. In addition to the intranet, e-mails, face- to face communication,

video conferences, internal magazines and 'CEO roadshows' were seen as important channels of internal strategy communication.

Repetition of the strategy messages had an influence on the success of strategy communication. A number of the interviewees argued that especially in internal strategy communication the repetition of the messages was required. It was not only multiple channels with the same message, but also the multiple usage of the same channel which was considered important. The repetition of the messages was seen to result in better implementation of the strategy.

> *" Especially internally, the strategy message requires repetition in order to ensure the internalization of the substance"*

> *"The worst case scenario is that strategy is something that is presented in the annual report or in our WebPages, but in practice it is not shown. The situations where words and actions do not meet, hinder strategy work"*

An interviewee believed that the role of internal strategy communication increases when the company size increases. The general opinion among interviewees was that in order to succeed in external strategy communication, the internal communication needs to be executed properly first. This is because the interviewees believed that the way employees identify themselves with the company and as part of the company's strategy work, had an influence on successful strategy implementation, which consequently could influence the external communication.

In the next sub-section the company-external communication in strategy work is discussed in more detail.

4.1.3 External strategy communication

According to the interviewees, all external communication in particular was indeed strategy communication. For example, one interviewee argued that the company's external communication should always be considered to be strategic. He argued that it didn't make a difference if the communication was related to investor relations,

marketing, the CEO's public appearance or any other external communication activity, all of them could affect the company's performance drastically and therefore should be considered strategic, as can be seen from the quotation below:

> *"The external communication in public limited company needs to focus and keep in mind that it could have a great influence on equity markets"*

The interviewees argued that the communication function had two important tasks in company-external strategy communication. First, the interviewees all were of the opinion that one significant task of the communication function in external strategy communication is to establish and furthermore to maintain the company's image. Furthermore, achieving a certain profile and status in the eyes of the media and especially among the customers was believed to be important. One interviewee described that external communications should create a logical, congruent and interesting company story to reinforce the company's reputation and thus a good communication system can be seen as a competitive advantage.

The following quotations demonstrate the perspectives of the interviewees very well:

> *"The communication function gives as a sort of a license to operate. In other words communication maintains and enables the public appearance of the company."*

> *"Ultimately, the customer base of the company is what generates the money, therefore external communication is used to achieve a desired profile and status among the customers. "*

> *"The task of external communication is to establish the company's image as a reliable company."*

The second important task of company-external communication according to the interviewees, was to create open and honest external strategy communication, without still revealing too much of the information about their strategy. In other words, the task

of external communication was to find the right combination of openness and information in their strategy messages. The interviewees argued that as in internal strategy communication also in external communication the content of the message is crucial. They all agreed that also in external communication the message needed to be clear and consistent with explicit, logical and accurate substance.

However, when it comes to external communication and external interest groups as the target groups of the messages, the interviewees argued that there were various elements that were created by third party involvement that had an effect on the external communication in terms of strategy. All interviewees said that the media was one of the major aspects to have an effect on external communication, while a few interviewees argued that also other parties such as non-governmental[2] organizations could have an influence.

Consequently, in external strategy communication the knowledge about media and its effect on the company's image were factors that external communication could influence. All interviewees had strong opinions about the media as channel of external communication. The media was seen as channel that distributed both good and bad information and the interviewees felt that it was hard to control. All the interviewees agreed that the media as part of external communication was crucial but also created various challenges. The following quotations show the interviewees' perceptions the media:

> *"The media is used as a way to maintain public interest of the company, but also to inform certain interest groups. It is important to get through also positive messages."*

> *" In my opinion the CEO is the spoke person in external communication and especially when it comes to the media; however, I feel that in this area the Communication Director is required to support the CEO to cope with the press."*

---

[2] The term non-governmental organization refers to kansalaisjärjestö in Finnish. For example, Amnesty International and Greenpeace are such organization.

The interviewees believed that external communication activities in strategy work were quite similar in all the investigated companies, especially activities that related to investor relations, mainly due to the fact that they all represented listed companies and most of their external communication was highly regulated.

Next sub-section will first discuss the CEO perspective on the characteristics of an ideal communication function and secondly the characteristics of ideal communication practitioners.

4.1.4 The characteristics of an ideal communication function in strategy process

A number of the interviewees emphasized that a preferred communication function required knowledge of the business itself. In other words, some knowledge of the field that the company operated in as well as knowledge of fundamental business concepts was required. Besides competences in business knowhow, qualities like extensive networks, good media relations, knowledge of how to work with the press, understanding of the laws and regulations of the company's field of business and in particular from the investor relations point of view and were argued to be essential for a well functioning communication function, as can be seen from following quotations:

> *"The communication function needs to be specialized in all areas of communication. It includes areas like investor relations, marketing, public relations, employee communication etc. "*

> *"Legal provisions, security markets law and other laws need to come naturally, not only the ones used in Finland, but globally as well."*

> *"The communication function is useless if it does not understand the business, how one can capture the core idea if the reasons behind them are not understood."*

"Broad business networks and networking in general is something that communication functions need to excel. My opinion is that networks will result in better external communication."

"The area that in which the CEO needs most assistance is the media relations. I believe that even if the CEO is often the spokesperson of the company, it is not effective for the CEO to use too much energy in concentrating on the press that should be task of the communication function. "

In the investigated organizations the communication function was understood to need communication practitioners that had superior competences and expertise in all areas of communication. Especially language skills were mentioned by several interviewees. Besides competences in communication and language, an ability to question messages and issues at hand was seen as one important quality by a few interviewees. The following quotation presents this aspect well:

"A communication practitioner needs to be someone that has an ability to question strategic messages. On no account, should communication practitioner be someone that is agreeable and willing to accept any message as they are."

Additionally, a few of the interviewees defined that a good communication practitioner was able to see what was essential and what not. In addition, the Communication Director argued that a good communication practitioner was a person that was good with pressure and had an ability to solve problems and make fast decisions. One important quality was to be 'solution oriented', meaning that he/she needed to concentrate on finding the solution rather than finding the reasons behind the problem.

Moreover, the Communication Director argued that an expert CEO was aware of the fact that the communication function had worked effectively and met its expectations when everything was done proactively already before something challenging emerged. In other words, if the CEO recognized the need for communication in a certain situation, then something had not gone the way it was supposed to within the communication

function. One other interviewee also presented that the role of the communication function was to proactively solve problems and be up to date at all times.

All the interviewees agreed that to achieve the best possible communication function, the cooperation between the Communication Director and the CEO had to be excellent. Furthermore, the general opinion among the interviewees was that the cooperation between the Communication Director and the CEO was mainly based on trust. Therefore, interpersonal relationships were seen to have an enormous effect on the effectiveness of strategy communication. To quote:

> *"In order for the communication function to have a significant role, it needs to demonstrate and show business knowledge, but also cooperation between the Communication Director and management is crucial. "*

> *"The communication practitioners should work in close proximity to the CEO and other members of the board of directors to provide the best endorsement possible to them at their work. One important task of the communication function is to act as a coach for CEO"*

The final sub-section in 4.1 will present findings on current communication trends as perceived by the interviewees and also report on the interviewees' perspectives on the future in terms of the communication in the strategy process.

4.1.5   Current trends and future outlook of communication in strategy work

One current trend that all of the interviewees mentioned were social media and its challenges and benefits for communication within the companies. Social media were seen as current "it" thing to do. They were believed to be effective in some occasions and suitable for some organization, but none of the interviewees could describe in more detail what kind of situations these were. Social media were perceived as something that might have a huge potential in the future, but since its effects and influence on the company's strategy work could not be measure and determined just yet, the

interviewees pointed out that companies at the moment were in the process of deciding where they stand in this matter. The following quotations explain well the interviewees' attitudes towards social media:

> "Social media and its possibilities as new communication channels are the current topic in today's business world. Moreover, is it something that our company should take part in, or not?"

> "Everyone seems to be talking about social media, but what in reality they are and how business could actually benefit from them, is something that is not quite determined yet."

> "I am aware of the fuzz about social media, but even though I think social media might work for some companies in some situations, I really do not see how it strategically could benefit our company."

Social media for example facebook were seen as new channels of strategy communication. Even though most of the investigated organizations had used or tried to use social media as strategic communication tools both in external and in internal communication, it was mainly believed to be hype. In other words, the social media was perceived to be an additional way of communicating but it was not considered to have enough influence to replace the existing methods of communicating. In general, social media as a way of communicating the strategy was not seen as that powerful. The following quotations show that the interviewees had strong opinions towards social media and its use as strategic tools in the future:

> "There will be multiple new ways of communication and the channel choices are getting wider. Social media is just an addition and not something that would replace the more traditional channels."

> "Social media is the 'it' thing, and also our company is trying to utilize its feature in business, but its consequences will be seen in the future."

Furthermore, besides social media the interviewees pointed out that there were many technological innovations that had changed the way strategy could be communicated, for example, internally. One interviewee emphasized the possibility to address messages simultaneously to a number of individuals around the work. To quote:

"The change is enormous. Managers are able to communicate directly to whom they want and to which ever level of the organization. No more middlemen are needed. In our company e.g. the message from the CEO can be shown live to all of our factories around the word from televisions that are located in the factory walls. This decreases inaccuracies of the message."

A majority of the interviewees perceived that the biggest change in the future relates to the channel choices in communication. The general opinion was that in the future there will be more ways of conducting strategic communication. The interviewees considered that besides social media, other similar new innovations would have an effect on communication practices, for example, by increasing the range of the choices. The interviewees also believed that this would lead to more interactive way of communication as can be seen from the excerpt:

"Now mobile equipment is developed to the point where those can also be used in business communication why not in strategic communication as well. They were first used mainly in personal communication, but now more and more are used in business as well. The Internet and mobile technology together will change the interactiveness of communication in the business context."

To conclude the findings of Section 4.1, the communication function's involvement in the strategy process included three stages: planning, implementation and reporting on the success of the company's strategy. Of these three stages, strategy implementation was seen as the most important one. The interviewees emphasized that the communication function had to be an expert in the company's strategy in order to communicate it. The planning of the strategy communication was especially considered

an important part of overall strategy process. In all the investigated organizations the CEO contributed to the communication plan of the strategy.

The interviewees described the communication within the organization to have two dimensions; Company-internal and company-external communication. This categorization was done from the view point of activities conducted in communication and also from the target group point of view. According to the interviewees, the two most important tasks of internal communication in strategy work were to communicate the core idea of strategy and to choose the appropriate channels to reach all internal stakeholders and interest groups within the organization. Also, the communication's role as a motivator in strategy work and repetition of the message through multiple channels were seen important. All external communication on the other hand was seen as strategy communication since its main task was to establish and maintain the company's image. While the interviewees argued that media was an aspect that the external communication should influence it was also seen to create challenges. The interviewees believed that external communication practices would be similar in all public limited companies due to laws and regulations.

An ideal communication function, according to the interviewees would have business knowledge, extensive business network and ability to work with the media. The communication function was seen to need communication practitioners to have the same abilities. In addition also the ability the question the strategy messages was seen as an essential quality. The cooperation between the Communication Director and the CEO was seen as the main key to the successful communication.

Current trends and future outlook of communication in strategy work focused on social media as "things to do". Social media was seen as something that might have a huge potential in the future, but its use in strategy communication was not seen as substantial. Besides social media the interviewees pointed out that there were many technological innovations that had changed the way strategy could be communicated, for example, the possibility to address messages simultaneously to individuals around the work.

4.2. Main benefits and challenges of communication function in strategy work

This section reports on the CEOs' perspectives on the benefits and challenges of the communication function in strategy work and thus provide an answer to the second sub research question. Sub-section 4.2.1 concentrates on how the communication function could benefit the strategy process and Sub-section 4.2.2 presents the challenges that a communication function confronts in strategy work.

4.2.1 Benefits of communication function in strategy work

According to the interviewees the communication function had a number of benefits in terms of enhancing the strategy work. In total, the interviewees listed six benefits of communication function in the strategy process. Each of the following benefits was reported by more than one interviewee.

Firstly, the major benefit of the use of communication function in strategy work was to ensure a certain consistency and reliability of communication, by creating and repeating the key and accurate strategy messages.

Secondly, one of the benefits reported was that with communication the core ideas of the strategy could be justified. This was seen essential especially in crisis and change communication. Moreover, justifying negative messages were seen to create more effective understanding and acceptance of the messages.

The third benefit was described to be the way the communication function were used to influence target audiences' perspectives of the company, by creating and maintaining internal company identity and also external image and reputation of the company. For example, one of the interviewees highlighted that the communication function's role in developing the company's image through external communication was strategically particularly important.

The fourth benefit of communication function in strategy work was the support it gave to other functions in their tasks to implement the strategy. A few of the interviewees were of the opinion that many other business functions were dependent of the communication function in order to succeed in their main core areas.

The fifth benefit of the communication function in strategy work was related to the interactive and proactive approach in communication. According to the interviewees the possibility of having a dialogue with stakeholders and reaction to various events in a certain time limit was one key benefit of communication. The following quotation shows well this aspect:

> *"Before, if there was a problem on Thursday, the solution to that problem was thought on that day and discussed further on Friday. Often it was also considered to be a good thing to sleep on it over the weekend and then the solution to the problem was executed on Monday. This is definitely not the case in today's business world. If the problem occurs on Thursday, also the solution or at least reaction of some sort is required and expected on the very same day."*

Sixth, the communication function was seen as a way of reaching international audiences. Especially in terms of investors and customers it was crucial that the languages of communication met the needs of international audiences. For example, one interviewee pointed out that in today's international business world, even if the organization was mainly operating in the domestic market, international communication could not be overlooked. Also according to another interviewee the aspect of international business communication was vital, to quote:

> *"In today's global business environment companies are required to use multiple languages. In my opinion, the communication function's task is to arouse interest toward the company in the international markets and as a result attract international investors and customers. "*

In the next sub-section the findings about the challenges of the communication function in strategy work are presented.

4.2.2 Challenges of communication function in strategy work

According to the interviewees the communication function had a number of challenges in terms of the strategy work. In total, the interviewees listed five challenges of communication function in the strategy process. Each of the following challenges was reported by more than one interviewee.

First, one of the major challenges of the communication function was reported to have ability to identify the core idea of the strategy and to find the right channels to communicate it. Interestingly, these two points were earlier in the study reported to be the main tasks of internal communication in strategy process and but according to the interviewees for that reason they also create challenges.

> *"The main challenge of communication function in strategy work is excel in the strategy message formulation. This may feel like a basic thing but due to its importance in overall success of the strategy work I consider it as a challenge."*

> *"It is easy to tell long and extensive stories, but the challenge is to know how to make it simple so that it will go down with the audience"*

> *"New technology and multiple channel choices are a challenging task for companies and especially for the communication function. It is hard balancing between the channel choices and time used accordingly."*

Second, one interviewee emphasized that the biggest challenge internally is to get the CEO and other members of the board of directors to be more involved in communication.

> *"The worst case scenario is that strategy is something that is presented in annual report or in our WebPages, but in practice it is not shown. The situation where words and actions are in contradiction hinders strategy work"*

Third challenge of communication in strategy work reported by the interviewees was that the world is full of messages and information. Therefore the challenge was to create

a message that is noticed. Furthermore, one interviewee emphasized that it is sometimes challenging to determine what are the ideas and actions that were worth communicating either internally or externally and to whom the information would make a difference.

The attitudes towards the media were fairly doubtful and cynical. All of the interviewees argued that the press and the media in particular were overwhelming and that it was a great challenge for communication function to cope with it. None of the interviewees thought that the media could be 'managed', but instead a number of them were of an opinion that a good interaction with the media was crucial. To quote:

> *"It is always a challenge with the media to be noticed about the information or message you want, and furthermore to be noticed the way you intended. It is no secret that the press is obsessed with bad news. "*

> *"I am always extra careful with the press, since you never know how your opinions are interpreted and twisted"*

> *"The challenge also emerges in situations where there is incorrect information distributed in the media. The question is when to comment and react on it and when is it better not to acknowledge the issue at all? "*

The fourth challenge of communication function in strategy work related to the international business environment that was perceived to also create challenges to the communication function. Beyond the obvious challenge of multiple languages used in business and in international communication which were raised by the majority of the interviewees, the aspect of time zones affected a few investigated organizations. The following citations present the challenges of communication in international business:

> *"The languages are an obvious challenge for the communication function. It is not just English anymore as it used to be some time ago, but nowadays the companies are required to use multiple foreign languages."*

> *"In the international company meetings are hard to organize. The best solution is to have video or telephone conferences, but the challenge is determine at what*

those should be carried out. When it is around mid day in Finland, it is already night in China, while in Brazil people have just woken up. This makes it extremely difficult to organize such a meeting and requires a great amount of flexibility of participants. "

Furthermore, in the global business world the challenge of the communication function is to know, how to communicate around the world argued the Communication Director. Not only how to use the languages, but also how to conduct business in different places across the globe. For example, according to him there existed not one, but 50 'different kinds of China', with different languages, business governance and ways of conduction business and communication and the situation was even more critical in India.

The fifth challenge was said to be the use of technological in communication. For example the use of emails in communication was described to be somewhat dangerous. For example, a few interviewees believed that the use of emails in strategy communication could create misunderstandings, since in emails it was said to be difficult to express emotions and the tone of voice. In addition according to the interviewees, there were no immediate responses in emails, which were seen as a negative aspect. Furthermore, one interviewee pointed out that since some were better in using the technology than the others, it could create imbalance.

To conclude Section 4.2 according to the interviewees there were six main benefits and five challenges of the communication function in the strategy process. The first benefit was that the communication function was seen as an enabler of a consistency and reliability in strategy work. The second benefit was seen to be the communication functions way to result in better understanding of strategy work by enabling the strategy message justifying. The third benefit related to internal company identity and external image and reputation. The fourth benefit of communication function was the support it gives to other functions in their tasks to implement the strategy where the fifth benefit related to the aspect of reactivity and dialog. And finally, the sixth benefit related to the communication function's task to reach international audiences.

The communication function was also seen to have five challenges in the strategy work. The first challenge was the ability to formulate concise messages, and the choice of the appropriate communication channels. The second challenge related to motivation of the other members of the board to the strategy work. The third challenge related to media and media relation and ability of companies to get their messages through since among the interviewees the attitudes towards the media were fairly doubtful and cynical. The fourth challenge was about international business environment that was seen to also created challenges to the communication function for example multiple languages used, cultures and ways of conducting business and time zones were reported by the interviewees. The fifth challenge related to the use of technology in communication.

4.3. The CEO as a communicator of the corporate strategy

This section provides an answer to the third sub research question by presenting finding on how the CEOs consider themselves as communicators of the strategy. Sub-section 4.3.1 presents the findings on the CEO's communicative role in strategy work followed by Sub-section 4.3.2 concentrating on current trends on the CEO's communication and how the role and the communicative competences needed of the CEO as a communicator of the company's strategy have changed over the years.

4.3.1 The CEO as a communicator of the strategy

In comparison to the other findings of the present study, those related to this sub-section of the findings had the most variation that is the CEO as a communicator of the strategy. All of the interviewees were of an opinion that the CEO's role in strategy work varied depending on the person. His/her personal characteristics, age and the ability and personality were seen as factors that would affect his/her role as a communicator of the strategy. However, since all of the interviewees agreed that communication was an integral part of any management work, it also formed the major part of the CEOs daily

work. They also argued that since the CEO's main task was to manage and lead according to the company's strategy, the CEO's communication was for the most part strategy communication.

According to the interviewees, the CEO as a communicator of the strategy affected the company's image most and therefore the CEO as a company's spokesperson in the media was seen as crucial. The majority of the interviewees emphasized that depending on the way the CEO is perceived in the public, has much greater influence than often is realized. For example, a few of the interviewees pointed out a recent CEO change in a Finnish multinational company that resulted in totally different CEO communication and public appearance and therefore also affected the image of the company. The difference was not said to be 'negatively' different just 'completely' different to the one the former CEO had. The following quotations present some additional perspective of the interviewees about the CEO role in public:

> *"The communication of the CEO can have an effect on the overall image of the company. He or she cannot be 'no comments' type of person, quite the contrary. The CEO should show certain activeness and be approachable."*

> *"The CEO is the one to give 'soul' to the strategy message. The message cannot be too mechanical, but needs to be innovative in order to stand out and enhance the image of the company"*

> *"The pressure is greater than ever to be well educated about the new ways of communicating and managing a company. I think that the communication of the CEO has an enormous effect on the way stakeholders and other interest groups see his/her credibility and success as a CEO of the company in question"*

The interviewees categorized the target groups of the CEO's strategic communication into four groups. In the order of the significance: employees, stakeholders, customers

and other interest groups. In all the investigated companies the employees of the company were seen the most important target group of the strategy message. A few interviewees pointed that employees were the receivers of the CEO message both in internal communication, but also in external communication since it could influence the employees' perspective of the company and its strategy indirectly. The following quotations explicate that well:

"Also in his/her public appearance the CEO always needs to keep in mind that what is said e.g. on the news about the company will also have an effect on the employees."

" The CEO needs to remember that often what is communicated externally also affect the employees' opinions and image about the company's. "

" The company's own personnel are also a crucial target audience even when the CEO is giving a speech in the television."

As the second most important target group of the CEO's strategy communication, the interviewees perceived their company's stakeholders. A number of the interviewees argued that since the role of the CEO was crucial in investor relations and the fact that the owners and other stakeholders were also crucial for the company's existence, the communication of the CEO needed to focus on meeting their needs. Furthermore, a few of the interviewees said that the CEO had an enormous effect on the share price and on the value of the company.

The third target audience of the CEO's strategy communication was reported to be customers. The interviewees argued that with successful external strategy communication credibility among the existing as well as potential customers of the company could be increased.

The forth group of the CEO's strategy communication was described to include target audiences like the media, future employees, and one interviewee also reported other board members to be important receivers of the CEO's strategy communication. In addition, one interviewee named that non-governmental organizations were is a fairly new, but relevant target group.

In all the investigated companies the CEO had had training in their communication skills. Also, some of the interviewees had participated in training relating to communication with different interest group and how the communication with them varies. The majority had been trained for example in media related issues, but some of the interviewees also had training in crisis communication and on overall presentation skills.

In the next sub-section, the findings about the current strategic communication of the CEOs and also future trends of the strategy communication of the CEO are presented.

4.3.2 Current strategic communication of the CEO and future trends

The interviewees reported that management style has changed in recent years and in many of the investigated organizations the role of the CEO and especially, the competencies required of the CEO in terms of communication have changed in recent years. The general opinion among the interviewees was that in the current business world the management of the company was required to have excellent communication, language and presentation skills. Furthermore, the CEO needed to be prepared to work in the international environment. For example, one interviewee pointed out that before the CEO was able to run the company from his/her corner office, but it was not the case anymore as can be seen from the quotation below:

"The communication of the CEO requires more and more time and effort in order for it to be effective. The CEO is not able to run the company with passive communication as it might have been possible some years ago. "

According to the interviewees, today's CEO was required to be a social person, who was willing to learn new ways of communicating and adapt to the technological changes. According to the Communication Director an ideal CEO in terms of communication was described to be an energetic 'Duracell bunny' and a person who listens to pieces of advice and is willing to use ambiguous and innovative messages that are then communicated energetically to all interest groups.

According to the interviewees the communication's role as a tool of the management and leadership has enhanced. A number of the interviewees argued that technology has extremely changed the communication and styles of management. The general opinion was that it has become more complex and more time consuming due to various additional channels of communication. The use on the Internet and social media as a tool in CEO communication were reported to vary depending on the person. However, a few of the interviewees indicated that even though there were now numerous way of using technology based communication in CEO's strategic work too technology oriented management is not preferred. According to majority of the interviewees the situation is quite the contrary. They strongly believed that the CEOs persona and interactive and interpersonal management will strengthen.

"I consider that even tough things like social media are current at the moment the communication of the CEO in future will experience a certain kind of pendulum effect. In other word, the shift from internet based communication will swing back toward traditional, interactive face- to face person oriented communication. "

"The current trend of social media could be compared to emergence of electronic mails. However, no one can manage a company with emails, and it is the same

with social media. I consider technology based managing as a way of dreadful managing. Management should be based on interactions and face to face communication. At least for our generation it will not be a way of managing a company "

"No one is able to manage a company with emails or with social media, it requires a lot of interaction, personal contacts and emotions. If the managers would not need interpersonal communication to manage a company, then companies could be managed with computers; the computers could be programmed to push a certain button according to the data gathered from the markets…But it does not work like that. "

"Technology has enables the fact that people are reachable all over the world. But it does not take away the fact that people need other people. "

The CEO blogs were seen as a one of the new tools for management, but the perspective on the use and benefit of them varied a lot. All of the interviewees had strong opinion on CEO blogs. While a few of the interviewees had written blogs themselves, a majority of the interviewees were against writing them. Even among the ones that had written CEO blog themselves, none of them saw that it had created any additional value to the company. The ones who had not written CEO blogs had decided not to do that in the future either.

"It might work for some CEOs only if they have something innovative to write about. However, I consider that it will only work for internal communication purposes"

"The blogs can also be very negative and therefore I refuse to write the CEO blog."

"The strategic value of the blogs is extremely hard to measure and I also found it difficult the whenever I was writing my blog I was doing it on my on time, e.g. on

Sunday evenings. These two reasons are behind the fact that I am not writing the CEO blog anymore."

The interviewees acknowledged the fact that in future there will be variety of new ways of communicating and it will have an affect also on CEO communication and in broader term also on management. The Communication Director argued that above all the management communication needs to be proactive. To quote:

"The dynamics of the business and business world itself has changed. Companies are required to be agile, therefore the CEOs need to be agile, and also how they communicate should reflect to the need and also be agile. "

Also, the emphasis of the CEO's role as a spokes person of the company was seen to increase in the future. According to the interviewees still the private life of the CEO is not something that should be emphasized at all. For example one interviewee calls attention to the fact that CEOs should avoid narcissism. Also while one interviewee believed that in the future instead of information based communication the CEO's will focus more on communication the values and emotions, one another interviewee argued that the ethical role of the CEO communication will be significant in the future.

To conclude Section 4.3, the interviewees were of the opinion that the CEO's role in strategy work varied depending on the person. The personal characteristics and age were seen as factors that would affect the CEO's role as a communicator of the strategy. Communication was seen as part of management; therefore, according to the interviewees, since the CEO's main task was to manage according to the company's strategy, the CEO communication was for the most part strategy communication that has an effect on the company's image. As a result, the CEO as a company's spokesperson in the media was perceived as crucial.

The interviewees categorized the target groups of the CEO's strategic communication into four groups. In the order of the significance: employees, stakeholders, customers and other interest groups. The interviewees explained that they had had training

especially in media and presentation skills but also some had participated in training relating to communication with different interest groups and how the communication with them varies.

The general opinion among the interviewees was that management styles had changed in recent years and that in the current business world the management of the company was required to have excellent communication, language and presentation skills. The CEO also needed to be prepared to work in the international environment and willing to learn new ways of communicating and adapting to the constant technological changes. The use of the Internet and social media as tools in CEO communication were reported to vary depending on the person. A majority of the interviewees had a strong belief that the CEO's persona and his/her interactive and interpersonal management skills would gain even more importance in the future.

5 DISCUSSION

This chapter discusses the main findings of the study based on the interviews done with six CEOs and with one Communication Director. The chapter also focuses on answering the main research question: what is the nature of communication and the communication function in the strategy work from the perspective of the CEO? This question will be answered by analyzing the findings using the theoretical framework presented in section 2.5.

The findings of the present study suggest that the nature of communication and the communication function in strategy work is important and it is seen as an essential part of management in their strategy work. Furthermore, the communication function is seen to contribute extensively to the overall strategy work of the company. The communication function is involved in the whole strategy process from the planning stage through implementation and also has an important reporting task.

The interviewees agree with Cornelissen (2008) that planning of the communication strategy is also important part of the overall strategy process. In addition, the CEOs perceive that their involvement in the strategy communication planning is essential, which indicates that the CEOs are interested in the communication planning and more over perceive that the strategy communication and its planning is part of their work.

The findings suggest that one of the main tasks of communication in the strategy work is to simplify the core ideas of the company's strategy and to make sure that it is communicated correctly to all interest groups. From the CEO perspective, the content of the strategy message is crucial. Therefore the role of the communication function is to create an explicit, logical and rational message with accurate substance. This is in conjunction with previous literature (Suominen et al. 2009, p. 101; Hämäläinen & Maula 2004; Cornelissen 2008) However, based in the findings it is not enough that the strategy message has accurate substance, but it also needs to act as a motivator and in a way to direct employees to the right path in term of strategy implementation.

In order to communicate strategy message, the ways of communicating and channel choices of the strategy communication are important aspect of strategy implementation within the organization. Also, argued by Hartley & Bruckmann (2002), that the 'art' of communications is finding the most effective means of sharing ideas and information. Furthermore, the findings suggest that the channel choices and ways of communicating need to be innovative and repetition of the message through multiple channels is seen important.

The CEOs perceive that the communication function has to be an expert in the company's strategy in order to communicate it. Two elements were suggested to enhance the communication function's expertise in company's strategy: firstly, Communication Directors participation in strategy planning and secondly communication practitioners' knowledge of business itself. Cornelissen (2008) and Dolphin & Fan (2000) also argue that if communication practitioners' has higher position in organizations hierarchy he/she is better able to coordinate communication from the strategic level and that the higher the communication director is in the organization's hierarchy the more central the role of the communication in the formation and implementation of the strategy. Also Steyn (2003) argue that communication's contribution to strategy formulation is maximally optimized when a practitioner functions at the top management.

The findings suggest that the CEOs perceived the nature of communication in strategy work to be seen as twofold: the company-internal communication and company-external communication. According to the findings, the general opinion among interviewees was that in order to succeed in external strategy communication, the internal communication needs to be executed properly first. This is because the interviewees believed that the way employees identify themselves with the company and as part of the company's strategy work, had an influence on strategy implementation. This could consequently have an effect on the external communication. Moreover, the findings suggest that CEOs perceived employee communication as important since majority of the interviewees pointed that employees were the most important receivers of the CEO's

strategy communication in internal communication, but also in external communication since company-external communication could also influence the employees' perspective of the company and its strategy work indirectly.

Consequently, all company-external communication is indeed perceived by CEOs to be strategy communication due to its ability to drastically influence on the company's performance and to the share price. Therefore the significant task of the communication function in external strategy communication is to establish and furthermore to maintain the company's image and reputation. Also Cornelissen (2008, pp.71-73) argues that it is strategically important to achieve 'alignment' between those two. The media was one of the major aspects believed to have an effect on external communication and therefore to influence opinions of the interest groups. Therefore not surprisingly in the external strategy communication the knowledge about media and its influence on company's image was an issue that external communication was seen vital. Cornelissen (2008, p.70) also emphasizes the importance of communication in establishing the corporate image, which relates to the stakeholders immediate impression of the organization in relation to a specific message.

The role of the CEO in the external strategy communication is vital based on the findings. All of the interviewees agreed that communication is an enormous part of management and therefore is a big part of the CEOs daily work. As Yamauchi (2001) also argue that a growing number of managers, in fact, consider communication not as just an information activity but as a management issue. The interviewees furthermore, argued that since CEO's main task is to manage according to the company's strategy, the CEO communication is for the most part strategy communication. Surprisingly the interviewees believed that external communication activities in strategy work would be quite similar in public listed companies only based on the fact that investor relationship communication is highly regulated.

The findings suggest that the knowledge of the field as well as the awareness of basic business concepts is required of the communication function. Also qualities like knowledge of media relations are essential. An ideal communication function needs communication practitioners with superior competences and expertise in communication to function. Also language skills and an ability to question messages and issues at hand are important qualities of ideal communication practitioners.

On the other hand the Communication Director describe an ideal CEO in terms of communication to be an energetic 'Duracell bunny' and a person who listens to pieces of advice and is willing to use ambiguous and innovative messages that are then communicated energetically to all interest groups. Interestingly the findings suggest that even if the company would have an 'ideal' communication function and an 'ideal' CEO, what actually counts in the end is the personality and interpersonal relationships. In addition, the interviewees emphasized the trust between the CEO and the Communication Director as one key factor of a good strategic communication. In addition a few of the interviewees referred to a CEO change in a Finnish MNC, as an example that they felt demonstrated the significance of the persona of the CEO in the company's communication, in the end we are all unique individuals.

As one of the interests of this study was to see if the Communication Director opinions would significantly differ from the ones of CEO, the result is that the Communication Director had mainly opinions that were congruent with the ones of the CEOs. One area in which there were some variations was the aspect of international business communication, since the Communication Director seemed to have the strongest opinions to about its importance; at least he was one of the few to emphasize it.

Consequently, the other interesting point was that only few interviewees focus on international aspects. Although the interviewees argued that international aspect are crucial and current, the topic was brought up only in few occasions during the interviews. Could it be that the international aspect was too obvious to the interviewees that it was taken for granted and not seen as something that needed special emphasis? If this is the case we can just speculate the need for the term 'international' in the future.

Regarding future insight of communication and its nature in strategy work, the findings suggest that the basic elements of the communication and the communication function will exist in the future as well. However, the interviewees consider that besides social media other similar new innovations will have an effect on the communication practices, mainly by increasing the variety of the choices. The interviewees also believe that this will lead to more interactive way of communication. The perception was that this will require companies to increasingly enhance their reaction in a certain time limit to various events and also to adopt even more proactive approach in strategy communication.

To conclude, the nature of communication and the communication function in strategy work from the perspective of the CEO seems to be strategically significant. The findings suggest that the CEOs are well aware of the strategic tasks of the communication function. The CEOs gave the impression that they value the contribution of the communication functions to the strategy work.

6   CONCLUSIONS

This chapter concludes the study by presenting a research summary in Section 6.1 followed by the main findings in Section 6.2. Section 6.3 concentrates on practical implications, followed by limitations of the study in Section 6.4 and finally Section 6.5 provides some suggestions for further research.

6.1. Research summary

The purpose of this study was to investigate CEOs' perspectives on communication and its role in strategy work within organizations. The study was motivated by the lack of research done in international business communication from the CEO perspective. It is important to note that although this study uses the term communication, it actually refers to both business and especially to corporate communication. The definitions for business and corporate communication are somewhat overlapping, as argued by Louhiala-Salminen (2009).

The study focused on the CEO perspective on the role of communication in strategy work. Especially international business communication point of view was taken into account. The main research question was: What is the nature of communication and the communication function in strategy work from the perspective of the CEO? There were three sub-questions:

1. How is communication involved in strategy work?

2. What are the main benefits and challenges of the communication function in strategy work?

3. How does the CEO see him/herself as a communicator of the corporate strategy?

The literature review of the present study focused on the link between communication, strategy and senior management within an organization. The review consisted of an

overview of four phenomena: business communication from various points of view, communication from the strategy point of view, managerial perspective on communication in their strategy work and the aspect of the Internet and technological innovations and their influence on strategy communication within organizations.

To recap the theoretical framework used in this study presented in Section 2.5. The framework was built by combining Åberg's (2000) theory of communication within an organization as a three-dimensional resource to the following areas: definitions of key elements of communication in organization by Juholin (2001), Argenti (2003) and Cornelissen (2008) as well as strategy communication aspects of Hämäläinen & Maula (2004) and Mars et al., (2000). Strategy work aspects by Steyn (2003) and in addition new technology and communicating in the Internet era by Teck (2006) and Goodman (2001). The theoretical framework for this study and consists of five components:

1.) The role of communication in the strategy process

2.) The role of communication function in internal strategy work

3.) The role of communication function in external strategy work

4.) Communication as part of strategic management

5.) The influence of the Internet and technology on strategic communication

The study was qualitative. Empirical data was collected through seven semi-structured interviews; six CEOs and one Communication Director of international companies were interviewed. The interviewees had extensive working experience in management and chief executive positions and therefore represented excellent sample for the study to share their opinions on the CEO perspective on communication in the business context. One Communication Director was chosen for the study to represent an experienced business professional with communicational background. In addition, his working wide experience with multiple CEOs was seen as an important aspect for the study.

6.2. Main findings

The main findings based the seven interviews can be summarized as follows. First, the communication function's involvement in the strategy process includes three stages: planning, implementation and reporting on the success of the company's strategy. Of these three stages, strategy implementation was seen as the most important one. The CEOs perceived that the communication function had to be an expert in the company's strategy in order to communicate it. The planning of the strategy communication was especially considered an important part of overall strategy process. In all the investigated organizations the CEO contributed to the communication plan of the strategy.

The interviewees described the communication within the organization to have two dimensions; Company-internal and company-external communication. This categorization was done from the view point of activities conducted in communication and also from the target group point of view. According to the interviewees, the two most important tasks of internal communication in strategy work were to communicate the core idea of strategy and to choose the appropriate channels to reach all internal stakeholders and interest groups within the organization. Also, the role of communication as a motivator in strategy work and repetition of the message through multiple channels were seen important. All external communication on the other hand was seen as strategy communication since its main task was to establish and maintain the company's image. While the interviewees argued that media was an aspect that the external communication should influence it was also seen to create challenges.

An ideal communication function, according to the interviewees would have business knowledge, extensive business network and ability to work with the media. The communication function needed communication practitioners that had the same abilities. In addition also the ability to question the strategy messages was seen as an essential. This study shows that the cooperation between the Communication Director

and the CEO was seen as the main key to the successful communication and what actually counted in the end was the personality and interpersonal relationships. Current trends and future outlook of communication in strategy work focused on social media as "things to do". Social media was seen as something that might have a huge potential in the future, but its use in strategy communication was not seen as substantial.

According to the interviewees there were six main benefits and five challenges of the communication function in the strategy process. The first benefit was that the communication function was seen as an enabler of consistency and reliability in strategy work. The second benefit was seen to be the communication functions way to result in better understanding of strategy work by enabling the strategy message justifying. The third benefit related to internal company identity and externally to the company image and reputation. The fourth benefit of communication function was the support it gives to other functions in their tasks to implement the strategy where the fifth benefit related to the aspect of reactivity and dialog. And finally, the sixth benefit related to the communication function's task to reach international audiences.

The communication function was also seen to have five challenges in the strategy work. The first challenge was the ability to formulate concise messages, and the choice of the appropriate communication channels. The second challenge related to motivation of the other members of the board of directors to the strategy work. The third challenge related to media and media relation and ability of companies to get their messages through since among the interviewees the attitudes towards the media were fairly doubtful and cynical. The fourth challenge was about international business environment that was seen to also created challenges to the communication function for example multiple languages used, cultures and ways of conducting business and time zones were reported by the interviewees. The fifth challenge related to the use of technology in communication.

The interviewees were of the opinion that the CEO's role in strategy work varied depending on the person. The personal characteristics and age were seen as factors that

would affect the CEO's role as a communicator of the strategy. Communication was seen as part of management; therefore, according to the interviewees, since the CEO's main task was to manage according to the company's strategy, the CEO communication was for the most part strategy communication that has an effect on the company's image. As a result, the CEO as a company's spokesperson in the media was perceived crucial.

The interviewees categorized the target groups of the CEO's strategic communication into four groups. In the order of the significance: employees, stakeholders, customers and other interest groups. The interviewees explained that they had had training especially in media and presentation skills but also some had participated in training relating to communication with different interest groups and how the communication with them varies.

The study shows that the general opinion among the interviewees was that management styles had changed in recent years and that in the current business world the management of the company was required to have excellent communication, language and presentation skills. The CEO also needed to be prepared to work in the international environment and willing to learn new ways of communicating and adapting to the constant technological changes. The use of the Internet and social media as tools in CEO communication were reported to vary depending on the person. A majority of the interviewees had a strong belief that the CEO's persona and his/her interactive and interpersonal management skills would gain even more importance in the future.

6.3. Practical implications

The finding of this study showed, that even though the research on CEO perspective on strategic communication is limited, the CEOs seemed to have strong perceptions on the issue of the nature of communication and the communication function in strategy work. This section presents three practical implications of the present study.

First, the study suggests that the CEOs seem to be well aware of the role of the communication function in strategy work and also the role of CEO as the spokes person of the company. However, the findings suggest that in order for the communication function to work at its best, the CEO needs to value the communication and the cooperation between the Communication Director and the CEO needs to be based on trust. Furthermore The Communication Director needs to be involved in strategy planning and the CEO is required to be involved in the planning of the communication strategy.

Second, the study suggests that every CEO will have his/her own way of communicating and that the CEO's persona will influence to the communication and through that it will also have an effect to the company image and reputation.

Third, all the investigated companies are in a process of deciding how to deal with social media. Even though the attitudes towards social media were quite skeptical, the company's are trying to understand the role of social media in the business context.

6.4. Limitations of the study

This section reviews some of the limitations of the present thesis by analyzing the study from a critical perspective. The five limitations listed here should be kept in mind when interpreting the findings of this study. However, they do not diminish the trustworthiness of this study.

The first limitation is related to the confidentiality aspect. Since the interviewees were promised confidentiality, some of the data gained was hard to process due to its close relation to the particular field of business.

The second limitation was contacting the interviewees and also scheduling of the interviews. The only way of contacting the potential interviewees was email. When it comes to scheduling of the interviews, most of the CEOs were busy and had almost full

schedules. Also, the interviews were in most cases rescheduled several times. In addition a few of the interviewees were able to commit to an half an hour interview only. Therefore a few of the interviews are shorter than the others.

The third limitation is that it could also be that the study has a positive biased sample, since the interviews were in most cases rescheduled instead of cancelled. Therefore he researcher assumes that the interviewees considered the topic to be significant.

The fourth limitation is related to the interpretations. All the findings of the present study are based on the researchers' interpretations of the interviews. Since the researcher does not have an extensive managerial experience like the interviewees have it may have affected the interpretations.

The fifth limitation is related to the fact that six out of seven interviewees were male and only one female CEO was interviewed. It is possible that if the sample had been different, it might have influenced the result. However, it is important to note that today most of the CEOs are male.

6.5. Suggestions for further research

There are many different areas of this study that could be further developed and researched. This section suggests two possible directions for further research.

First, this study focused only on perspective of the CEO and therefore a natural way to expand the present study would be to examine another view point. For example, this study could be conducted from the Communication Directors point of view along with the comparison of the answers of the CEO and Communication Director of the same company. It would be interesting to see if there are any major variations.

Secondly, although some areas of social media and blogs and their effect on management communication and strategy communication were researched in the

present study, the use of social medial and blogs in management and leadership could be addressed in more detail.

Final remarks

From a future communication professional's point of view it was an inspiring learning experience to realize that it is easier said than done to produce logical substance, succinct and coherent text and to be able to focus on the main issues without getting lost in detail.

REFERENCES

Argenti, P. (2003). *Corporate communication.* 3rdedition. New York: The McGraw – Hill Companies

Argenti, P & Forman, J. (2002). *The Power of Corporate Communication.* New York, NY: McGraw – Hill.

Bryman, A. & Bell, E. (2003). *Business Research Methods.* Oxford University Press.

Charles, M. (2009). The Ascent of International Business Communication: Are we on board? In L. Louhiala-Salminen & A. Kankaanranta (Eds.), *The Ascent of International Business Communication,* B-109, (pp.9-23), Helsinki: HSEPrint.

Cho, S. & Huh, J. (2010). Content analysis of corporate blogs as a relationship management tool. *Corporate Communications: An International Journal*, 15(1), 30-48.

Clutterbuck, D. (2001). The communicating company. *Journal of Communication Management*, 6 (1), 70-77.

Clutterbuck, D. & James, D. (1997). Internal communication: beliefs and practice in the organization: *Journal of Communication management,* 1(3), 249-255.

Cornelissen, J. (2008). *Corporate communication – A guide to theory and practice. 2nd edition.* Thousand Oaks, CA: Sage Publications Inc.

Dolphin, R. & Fan Y. (2000). Is Corporate Communications a Strategic Function? *Management Decision,* 38 (2), 99-106.

Frigo M & Litman, J. (2001). What is strategic management? *Strategic Finance*. 83 (6), 8-12.

Goodman, M. (2001). Current trends in corporate communication. *Corporate Communications: An International Journal*, 6 (3), 117-123.

Goczol, J & Scoubeau, C. (2003). Corporate communication and strategy in the field of projects *Corporate Communications: An International Journal* 8(1), 60-66.

Hartley, P. & Bruckmann, C. (2002). *Business Communication*. London: Routledge.

Hirsjärvi, S. & Hurme, H. (2010). *Tutkimushaastattelu – Teemahaastattelun teoria ja käytäntö*. Helsinki: Helsinki University Press.

Hämäläinen, V. & Maula, H. (2004). *Strategiaviestintä.* Keuruu: Otavan kirjapaino Oy

Juholin, E. (2006). *Communicare! Viestintä strategiasta käytäntöön.* Porvoo: Inforviestintä Oy.

Johnson, G. & Scholes, K. & Whittington, R. (2009). *Fundamentals of strategy.* London: Prentice Hall, FT

Kalla, H. (2006). *Integrated Internal Communications in the Multinational Corporation*. Helsinki School of Economics Dissertation. A-280. HeSE Print, Helsinki.

Kameda, N. (2005). A research paradigm for international business communication *Corporate Communications: An International Journal. 10 (2),* 168-182.

Lamar Reinsch Jr, N. (2009). Management Communication. In Bargiela-Chiappini, F.(Ed.), *The Handbook of Business Discourse* (pp. 279 – 290). Edinburgh: Edinburgh University Press.

Louhiala-Salminen, L. (1999). *From business correspondence to message exchange: the notion of genre in business communication.* Jyväskylä: Centre of Applied Language Studies.

Louhiala-Salminen, L. (2009). Business Communication. In Bargiela-Chiappini, F.(Ed.), *The Handbook of Business Discourse* (pp. 305 – 316). Edinburgh: Edinburgh University Press.

73

Lucero, M. & Tan Teng Kwang, A & Pang, A. (2009). Crisis leadership: when should the CEO step up? *Corporate Communications: An International Journal,* 14 (3), 234-248.

Marken, G. (2005). "To blog or not to blog. That is the question?", *Public Relations Quarterly*, 50(3), 31-3.

Mars, M. & Virtanen, M. & Virtanen, O. (2000). *Sijoittajaviestintä strategisena työkaluna*. Helsinki: Edita.

Miller, K. (1996*).* Who are we and what are we doing? *Management Communication Quarterly : McQ*, 10 (1), 3-5.

Quirke, B. (2010). Steering leaders out of a crisis using effective communication. *Strategic Communication Management*, 14(1) 4-24

Rentz, K. (2009). Making a Difference With Business Communication: A Response to Daphne Jameson's ORA Address. *The Journal of Business Communication,* 46 (4), 510.

Sandelowski, M. (2001). Focus on Research Methods Real Qualitative Researchers Do Not Count: The Use of Numbers in Qualitative Research. *Research in Nursing & Health,* 24, 230-240.

Sterling, J. (2003). Translating strategy into effective implementation: dispelling the myths and highlighting what works. *Strategy & Leadership,* 31 (3), 27-34.

Steyn, B. (2003). From strategy to corporate communication strategy: A conceptualisation. *Journal of Communication Management*, 8 (2), 168-183.

Suominen, K. & Karkulehto, K. & Sipponen, J. & Hämäläinen, V. (2009). *Esimies strategiavaikuttajaksi*. Juva: WSOYpro Oy

Teck, F. (2006). Competitive aesthetics, semiotics, chaos and leadership: Corporate photography strategy for the *CEO. Corporate Communications,* 11(2), 109-126.

Ulmer, R. (2001). Effective crisis management through established stakeholder relationships. *Management Communication Quarterly : McQ*, 14 (4), 590-616.

Varey, R. & White, J. (2000). The corporate communication system of managing. *Corporate Communications,* 5 (1), 5.

Walker, R. (2006). *Strategic Business Communication.* Thomson: South-Western

Whittington, R. (2006). Completing the Practice Turn in Strategy Research. *Organization Studies* 27, 613-634.

Yamauchi, K. (2001). Corporate communication: a powerful tool for stating corporate missions. *Corporate Communications: An International Journal,* 6(3), 131-137.

Åberg, L. (2000). *Viestinnän johtaminen.* Helsinki: Inforviestintä.

Åberg, L. (2006). *Johtamisviestintää! Esimiehen ja asiantuntijan viestintäkirja.* Jyväskylä: Inforviestintä.

APPENDICES

Appendix 1   Interview invitation

Hei

Olen kansainvälisen yritysviestinnän maisteriopiskelija Aalto-yliopiston Kauppakorkeakoulusta ja teen pro gradu -tutkielmaa aiheenani ylimmän johdon ja viestintäfunktion yhteistyö. Tutkimuksessani pyrin kartoittamaan julkisten osakeyhtiöiden ylemmän johdon näkemyksiä yritysviestinnästä, sen roolista, toiminnasta, haasteista sekä yritysviestinnän ammattilaisista.

Haluaisin päästä haastattelemaan teitä sillä uskon, että xx arvostettuna työnantajana sekä sen päätoimiala ja viestinnälliset haasteet tekevät siitä mielenkiintoisen ja tärkeän osan tutkielmaani.

Ajan ja paikan suhteen ei ole niin väliä, kunhan se on teille sopiva ja pääsemme istumaan alas vajaan tunnin ajaksi. Organisaatioiden nimiä ei mainita pro gradussa ja kaikkia antamianne tietoja käsitellään anonyymisti. Halutessanne saatte kopion tutkimusraportista itsellenne.

Luuletko, että sinulta löytyisi vajaa tunti aikaa toukokuussa haastatteluun?

Ystävällisin terveisin,
Noora Wuolanne
Aalto-yliopiston Kauppakorkeakoulu
International Business Communication
040 7478659
noora.wuolanne@student.hse.fi
www.hse.fi/ibc

Appendix 2   Interview framework

THEME 1: Communication's role in organization

1. How is communication function organized?
2. What are the main activities of communication in this company?
    1) Internal
    2) External
3. What are the most important tasks of communication?
4. How can communication make a difference?
5. How would you describe international aspect of the communication?

THEME 2: Communication in strategy process

1. How would you describe strategy process in this company?
2. How is communication part of strategy process?
3. What benefits does communication has in strategy process?
4. What challenges does communication has in strategy process?
5. How would you define an ideal communication function?
6. Current trends and future?

THEME 3: The CEO and communication

1. How would you describe CEO as a communicator?
2. Can CEO as a communicator of the strategy influence? If yes, to whom /to what?
3. Has the communication practices/ activities/ requirements changed? If yes, Why and how?
4. How would you describe the cooperation between the communication function and the CEO?
5. How does communication function support the CEO's work??
6. Current trends and future?