

# Management and Employee Perceptions of Internal Strategy Communication: A Case Study

International Business Communication

Master's thesis

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## **Perceptions of Internal Strategy Communication: A Case Study**

### **Background and objective of the study**

The objective of this study was to research internal strategy communication within a case company (KONE Corporation). The aim was to discover what kinds of perceptions the management and the employees held about the strategy process, internal strategy communication and internal strategy communication actors and methods. Furthermore, the study aimed to discover what kind of activities and background factors correlate with a better understanding of strategy and perceived effectiveness of strategy communication. In particular the use of social media tools and their connection with approaches to strategy communication was examined.

### **Theoretical background and methodology**

The literature reviewed consisted mainly of existing theories in the fields of strategy formation, strategy communication and social media. An analytical framework for modelling internal strategy communication was proposed as a product of the literature review.

The data was collected from two primary sources. Three semi-structured interviews with the case company's top management were conducted and analyzed using qualitative methods. One complementary background interview was also performed. Furthermore, an online survey for the case company's employees (N=413) was carried out and analyzed using quantitative and qualitative methods. The qualitative and quantitative results, when of similar topics, were contrasted against one another and compared in order to gain a holistic picture of the phenomena.

### **Findings**

The findings of the study showed that on a general level strategy communication is perceived to be reasonably effective in the case company. The CEO's role as strategy communicator was seen as important, as were all other forms of superior-subordinate communication. The findings also indicated that vertical dialogue has a positive effect on employees' understanding of strategy. The use of social media was not found to have a direct effect on the perceptions of strategy communication. Differences between cultures and the difficulties in reaching all employees were seen as challenges for strategy communication. Also, the role of middle managers as crucial bottlenecks for information flow was highlighted by the study.

### **Keywords**

strategy; international business communication; internal strategy communication; dialogue; social media;

## **Näkökulmia sisäiseen strategiaviestintään: Case-tutkimus**

### **Tutkimuksen tausta ja tavoitteet**

Tämän tutkimuksen tavoitteena oli tutkia sisäistä strategiaviestintää case-yrityksessä (KONE). Tarkoituksena oli selvittää, minkälaisia näkemyksiä yrityksen johdolla ja henkilöstöllä oli strategiaprosessin, sisäisen strategiaviestinnän ja sisäisen strategiaviestinnän metodien suhteen. Lisäksi tutkimuksessa selvitettiin minkälaiset toiminnot ja taustatekijät korreloivat strategian paremman ymmärtämisen sekä strategiaviestinnän koetun tehokkuuden kanssa. Eryityisesti sosiaalisen median työkalujen käyttöä ja käytön yhteyttä strategiaviestintään tutkittiin.

### **Teoreettinen tausta ja metodologia**

Tutkimuksen kirjallisuuskatsaus rakentui pääasiallisesti strategian muotoutumisen, strategiaviestinnän sekä sosiaalisen median käsitteiden aikaisemmille julkaisuille. Kirjallisuuskatsauksen tuloksena esitettiin analyyttinen viitekehys sisäisen strategiaviestinnän mallintamiseksi.

Data kerättiin kahdesta pääasiallisesta lähteestä. Tutkimusta varten suoritettiin case-yrityksen ylimmän johdon kanssa kolme puolijäsenneltyä haastattelua, joiden tulokset analysoitiin kvalitatiivisin menetelmin. Myös yksi täydentävä taustahaastattelu suoritettiin. Lisäksi laadittiin ja julkaistiin henkilöstökysely (N=413), jonka tuloksien analysointiin käytettiin sekä kvantitatiivisia että kvalitatiivisia metodeja. Näitä eri kautta saatuja tuloksia verrattiin toisiinsa tilanteen niin salliessa.

### **Tulokset**

Tutkimuksen tulokset osoittivat, että yleisellä tasolla case-yrityksen strategiaviestintä koettiin suhteellisen tehokkaaksi. Toimitusjohtajan rooli strategian viestijänä koettiin tärkeäksi, kuten myös muut esimiehen ja alaisen välisen viestinnän muodot. Löydökset myös viittaavat pystysuuntaisen dialogin korreloivan positiivisesti strategian ymmärtämisen kanssa. Sosiaalisen median käytöllä ei havaittu suoraa yhteyttä strategiaviestinnän kokemuksiin. Kulttuurien väliset erot sekä kaikkien työntekijöiden tavoittaminen nähtiin strategiaviestinnän haasteina. Myös keskijohdon tärkeä rooli tiedonsiirron pullonkaulana nousi esiin tutkimuksessa.

### **Avainsanat**

strategy; international business communication; internal strategy communication; dialogue; social media;

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The idea for this Master's Thesis began to form in May 2011, and the process gradually advanced on a conceptual level throughout the following autumn. The first Word document titled something along the lines of "GRADU draft" was created on December 12<sup>th</sup>, 2011. Hundreds of versions have popped into existence since, leading to this final version.

Many people, places and personal habits have become closely associated with the long and seldom straightforward thesis writing process. I did most of my writing in the Kesko study area of the main building of the Aalto University School of Economics, typing on my reasonably faithful MacBook Pro. I enjoyed most of my lunches and innumerable cups of coffee in the building's main cafeteria, Rafla.

But the material things are only a small part of the setting, and nowhere as important as the several people, who have been explicitly or implicitly focal to the advancement and refinement of the thesis.

Firstly, I wish to thank my thesis instructor, Dr. Anne Kankaanranta. She has provided me with encouragement when needed, helped me find resolve to pursue a certain line of research when my confidence wavered, and managed to infect me with a certain passion for doing science.

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Nonetheless, the timeliest and most stalwart support came from my wife, Carina. She understood when I needed a hearty kick in the behind and when a gentler kind of encouragement was appropriate. She was always there when I needed help, yet never unduly imposed on my work.

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Helsinki, June 2012  
Jussi Herlin

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# 1. INTRODUCTION

A successful corporate strategy is the most important result of strategic management. An actionable, well-balanced and measurable strategy is of paramount importance to a firm that strives to be successful. The process of strategy creation is the first crucial step in the management process, although final strategies are often considered to be a combination of deliberate strategy creation and emergent strategy (Mintzberg, 1978). Furthermore, strategy creation is not generally perceived as a static, one-time project but rather an on-going process that requires constant reviewing and reassessment (Markides, 1997). Regardless of the perception on strategy creation and review process, the importance of strategy is widely accepted (e.g. Ansoff, 1965; Mintzberg, 1978; Hamel & Prahalad, 1989; Johnson, Scholes & Whittington, 2008).

However, in strategy work finding the ideal fit between external threats and opportunities and internal strengths and weaknesses (Kaplan & Norton, 1992) does not suffice: even the best of strategies have no value unless they can be successfully implemented. The implementation ensures that all processes are aligned with and serve long-term goals. Transforming corporate strategy into tangible actions seems to cause difficulties for many organizations, and communication challenges are often viewed as a significant part of the problem (Aaltonen & Ikävalko, 2002).

Companies communicate with their various stakeholder groups about their business in different ways (Cornelissen, 2011, p. 41-42). Naturally the most important stakeholder group for internal strategy communication is the company's employees. Indeed, for example Cornelissen (2011, p. 163) classifies employees as crucial stakeholder group. The alignment of organizational culture, activities and practices to its strategy—e.g. the mission statement—depends not only on effective communication but turning communication into activities that put the strategic targets into action.

Firms, especially large ones, generally have an internal communication function that works as a part of the corporate communication function (Cornelissen, 2011, p. 163). In many instances the internal communication function (IC) becomes an integral part of the strategy communication. They may be part of the strategy creation process and are charged with transforming the strategic choices into comprehensible and easy-to-understand strategy messages.

The implementation of a planned strategy may ultimately be the responsibility of the top management of a company in cooperation with the internal communication function, but this task cannot be successfully completed without mobilizing the rest of the organization. Employees – and particularly middle managers – play an important role in putting a strategy into practice. According to Noble (1999) in order to carry off this mission they need to know and understand the content of the strategy and become committed to it.

On the other hand, commitment and a joint interpretation of the objectives of the company help create a positive working environment that can contribute to the success of the organization (Hämäläinen & Maula, 2004, p. 31). It is therefore essential to communicate the content of the strategy to the employees in a way that enables the emergence of a strategic consensus. Then again, in order for building ground for employee engagement, the information about strategy content has to be supported by explaining the reasoning behind the content of the strategy and the expected effects of the chosen strategy (Hämäläinen & Maula, 2004, p. 152).

In addition, IC has an effect on employee engagement. This dependency was largely left unexplored for a period of time, but has recently been analyzed by, for instance, Welch (2011, p. 340), who argues that the outcomes of IC that take into account the

engagement aspect include innovation, competitiveness and organizational effectiveness.

However, one should not conclude that good strategy communication is only about transmitting the specifics of a management-created strategy to the rest of the organization. First of all, Aaltonen & Ikävalko, (2002) argue that an extensive amount of information does not guarantee understanding; especially not the kind of understanding that would be easily applied in everyday decision-making. In order to truly and deeply understand a strategy an individual has to be able to comment, inquire about and question it, something that can only be achieved through continuous two-way communication.

Second, according to Hämäläinen & Maula (2004, p. 42) strategically important ideas and insights can—and often do—emerge on all levels of the organization. The lack of a convenient channel for employees to express initiatives and feedback means that possibly a large a part of the knowledge potential of the company gets wasted. Allowing a certain amount of diversity of opinions may also help to avoid problems such as “group-think” and thus produce more effective strategic decisions through constructive criticism (Noble, 1999). In addition, the feeling of being welcome to participate in strategy work can enhance employee motivation (Hämäläinen & Maula, 2004, p. 52).

It is worth noting, however, that creating an atmosphere of free self-expression in an organization is not as simple as it may seem, since people instinctively react adversely against critical feedback (Tourish & Tourish, 2010). As a consequence, upward communication from the lower levels of an organization towards the upper echelons tends to be exaggeratedly consenting to the prevalent views of the management, as this is perceived by the employees to be the form of upward communication that creates benefits for them too. As Weick and Ashford (2001, p. 716) put it, “Not only do managers often prefer to hear good news but, in fact, subordinates often get promoted up the career ladder because they tell only good news.” This indicates that the

management of vertical communication is a challenge for managers, in particular when it comes to strategy implementation.

In practice, the creation of genuinely interactive forms of communication requires more than a mailbox dedicated for feedback and questions. Senior managers need to be physically and mentally present and orchestrate events where people can get together and share ideas (Balogun, 2006). Managers also need to be prepared to participate in more informal, ad hoc communications instead of just relying on the highly planned, official communication activities (Balogun, 2006). To be sure, making room for discussion between superiors and subordinates is likely to be time-consuming, but the effort will most likely pay itself back in increased motivation and commitment (Hämäläinen & Maula, 2004, 152).

Managing the vertical flows of communication in the organization, both top-down and bottom-up, is still not the only communicational challenge related to strategy implementation. In fact, Balogun's (2006) study among middle managers shows that the lateral communications between peers are just as important as the official top management communications in shaping people's interpretations of strategy. Instead of assuming senior management perceptions about strategy as such, middle managers use them as starting material in generating their own understandings and shared meanings. Managing these meanings is difficult, as much of the lateral communication happens in informal settings, for example through gossip, everyday discussions and observed actions in daily work.

Balogun (2006) suggests that more attention should be paid to the top management "having their ears to the ground", i.e. to the careful monitoring of how the understanding of strategy is developing in the organization. In addition to exploring what people think and therefore do regarding strategy, this monitoring should focus on *why* they do what they do. Only by understanding the root causes behind individuals'

perceptions of strategy the management can align the organizational understandings of the corporate strategy towards a shared vision.

Furthermore, over 80% of managers wish to spend more of their time on employee feedback and over 50% desire more leadership and strategic communication (Ruck & Trainor, 2011). These findings underline Truss, Soane, Edwards, Wisdom, Croll and Burnett's (2006) findings, which establish a clear positive correlation between employees feeling well informed and having a voice, and a feeling of engagement. Ruck and Trainor (2011, p. 11) also note that "an over-emphasis on leadership communication at the expense of more time spent on employee feedback is likely to lead to employees feeling communicated "at" rather than "with", leading to disengagement."

Another potentially decisive factor in strategy communication is the fact that large companies often operate globally, and thus have operations in different countries around the world. This frames their activities in the field of International Business Communication (IBC). Therefore note needs to be taken of, for instance, the variety of ethnic and national cultures that affect the management styles and can help or hinder the creation of unconstrained vertical dialogue. For example Hofstede (1980) presents the widely cited dimensions of culture, which inevitably affect and shape communication styles and habits, potentially overriding any organizational culture. Thus the variety of cultures is one defining factor in IBC and a crucial point for any research in multinational companies.

The variety in cultures is naturally not the only divider in approaches and attitudes towards internal communication. It is also worth noting that diversity in the ages of employees often leads to a diverse field of habits and preferences regarding for example organizational communication. The Baby Boomers started to enter working life in the 60s, before widespread adoption of personal computers or the advent of Internet. According to Ulrich & Harris (2003) Generation X were introduced to computers at a

relatively young age, but learned to use the Internet much later. Junco and Mastrodicasa (2007) posit that Generation Y—also sometimes known as Millennials—used the Internet and the communication tools it offers since relatively early in their childhood. This leads to the logical conclusion that there is room for divergence in how they perceive these communication methods, be it from an effectiveness standpoint or from a preference of tools.

Similarly, according to the widely cited Technology Acceptance Model (Davis 1985; see also Venkatesh & Davis, 2003) an individual’s propensity to use a given technological tool is mainly dependent on two factors: the extent to which an individual perceives the tool to help him perform his tasks better and the perceived ease of adopting said tool. The Technology Acceptance Model can then be reflected against generational differences underlined by Junco and Mastrodicasa (2007) in their research on the subject of Generation Y. According to their research Generation Y—defined in their study as the generation born between the years 1982 and 1992—use various technological contraptions and solutions to a much higher degree than the preceding generations. The use of social media is one example of this generational discrepancy, as the use of social media is much more common in younger population. Table 1 below displays the percentage of social media users in Finland and their frequency of use, organized by age (Tilastokeskus, 2012).

Table 1: The usage rates of social media tools in Finland in 2010 (adapted from Tilastokeskus, 2012)

	Several times a day	Daily	Weekly	Less frequently	No longer a user
Age	Percent	Percent	Percent	Percent	Percent
16–24	23	44	12	3	1
25–34	16	44	9	6	1

35–44	7	18	11	6	1
45–54	2	10	8	8	2
55–64	1	4	4	4	1
65–74	0	2	2	1	0

As Table 1 shows, almost half of 16–44-year-olds use social media daily, whereas of people aged 45–54 the percentage is less than 20. Table 1 also shows that in all except less than weekly usage older generations are represented less.

The umbrella definition of social media includes a variety of communication, networking, broadcasting and collaboration tools. (e.g. Mustonen, 2009b; McAfee, 2009; Kaplan & Haenlein, 2010; Thomas & Barlow, 2011). A number of social media services have seen global adoption of unprecedented rapidity. For example, Facebook had 175 million registered users in the beginning of 2009, while by end of year 2011 the figure was almost fivefold larger, at 845 million (Securities and Exchange Commission, 2012). The growing number of executive publications about social media can be seen as a logical consequence of the speed with which social media has become an integrated part of internet and, in many cases, everyday life. A vast number of people use different social media applications on a daily basis. Consequently the number of publications that discuss the business potential of social media are still expected to grow.

However, as Thomas and Barlow (2011) note, social media emerged into our lives outside the corporate framework. It is in many ways adopted much more widely in private use than as a part of planned and structured corporate communication. According to Wikipedia (2012), “Social media is becoming increasingly discussed in the field of Internal communication. However, there is little documented evidence of where it is being used successfully as part of a planned campaign of employee communications and it is often confused with digital media.”

Although there are many executive guides to social media in a corporate context, there is a distinct lack of academic publications about the use of social media in an internal strategy communication context—probably due to the slower cycle of the academic publishing process. This gap leaves a research niche that this master’s thesis attempts to explore.

## **1.1 Research problem and research questions**

This study attempts to identify causalities and correlations within the field of internal strategy communication at the case company. The research attempts to solve one main research problem:

How is internal strategy creation and communication at the case company perceived now and in the future?

Solving this problem provides insight into the use of different tools in strategy creation, internal strategy communication and their effect on strategy communication. Additionally it will focus on the relationship between the ways social media tools are used, and their effects on the perceived effectiveness of strategy communication. The solution will also contain concrete recommendations for actions that can improve strategy communication within companies.

The research problem inquires about dialogue on a rather general level. In order to go deeper and acquire more detailed results, the research problem is divided into four research questions:

1. How is the strategy process perceived by the management of the case company?



In answering this question, the study attempts to shed light onto the strategy creation, strategy review and strategy implementation processes within the case company, and in particular analyze how upward communication and participation is incorporated into it. Although the implementation of strategy is also touched upon, it is studied in more detail in conjunction with Research Question 2:

2. How are the actors and methods of strategy communication perceived by the management and employees of the case company?

Answering this question will provide viewpoints about the process of strategy communication within the case company. Answering the question is hoped to elucidate both positive and negative aspects, as perceived by the management and employees of the case company. Particular attention will be given to how different actors—the people in the case company who deal with strategy communication directly or indirectly—and methods—the various processes and tools of strategy communication—are perceived.

3. How is vertical dialogue in strategy communication perceived by the management and employees of the case company?

The role of vertical dialogue, as described in Chapter 1, is analyzed as part of the strategy communication process. The study attempts to locate prevalent views on the importance of dialogue and pinpoint factors, which facilitate and hinder dialogue. The connection (or lack thereof) between dialogue and strategy communication will be measured in various ways. The role of different cultures will be analyzed under this research question.

4. How are the case company's employees' perceptions of strategy and strategy communication connected with their background and social media use?

This question tries to locate correlations between the employees' age, experience, organizational level, adoption of social media, geographical location and perceived comprehension of strategy messages. These results will be contrasted against each other and against the factors of the perception of strategy communication.

Semi-structured interviews and an employee survey are designed to provide comparable and contrastable information on the same issues from both the management side and the employee side. This will facilitate an analysis of the views presented and their possible alignment or misalignment. This data will also be a source for recommendations on how social media can best be used to facilitate communicating strategy, and what the role of social media will be in the future of internal strategy communication.

## **1.2 Case company: KONE Corporation**

KONE Corporation is a Finnish, globally active company that manufactures elevators, escalators and autowalks. They also offer maintenance and modernization services to these products as well as automatic doors. It is among the global leading players in its sector. Globally, KONE's main competitors are Otis, Schindler and ThyssenKrupp. In 2011, KONE's turnover was divided between EMEA (Europe, Middle East and Asia, 55%), The Americas (18%) and Asia-Pacific (27%).

KONE was founded in 1911 in Helsinki, and since 1924 it has been a family-owned business. The company's B-share has been listed in what is now the OMX Helsinki stock exchange since 1967. Table 2 below shows some of KONE's key figures for the end of financial year 2011.

Table 2: KONE Corporation key figures for 2011 (KONE, 2012a)

<b>Variable</b>	<b>Amount</b>	<b>Growth from previous year</b>
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Sales	MEUR 5,225	4.8%
Operating income	MEUR 725	4.2%
Personnel	37,542	11.2%
Earnings per share	EUR 2.52	20%

In 2005 Matti Alahuhta—who previously worked at Nokia Corporation as an Executive Vice President from 1993 to 2004—was appointed CEO of KONE Corporation. In 2006 his title was changed to President and CEO, to reflect his more active and operational role as the head of management. Since the beginning of Alahuhta’s tenure KONE’s approach to strategy has been updated. Figure 1 below, known as the “Big Picture” explains the larger structure of KONE’s strategy (KONE, 2012b).

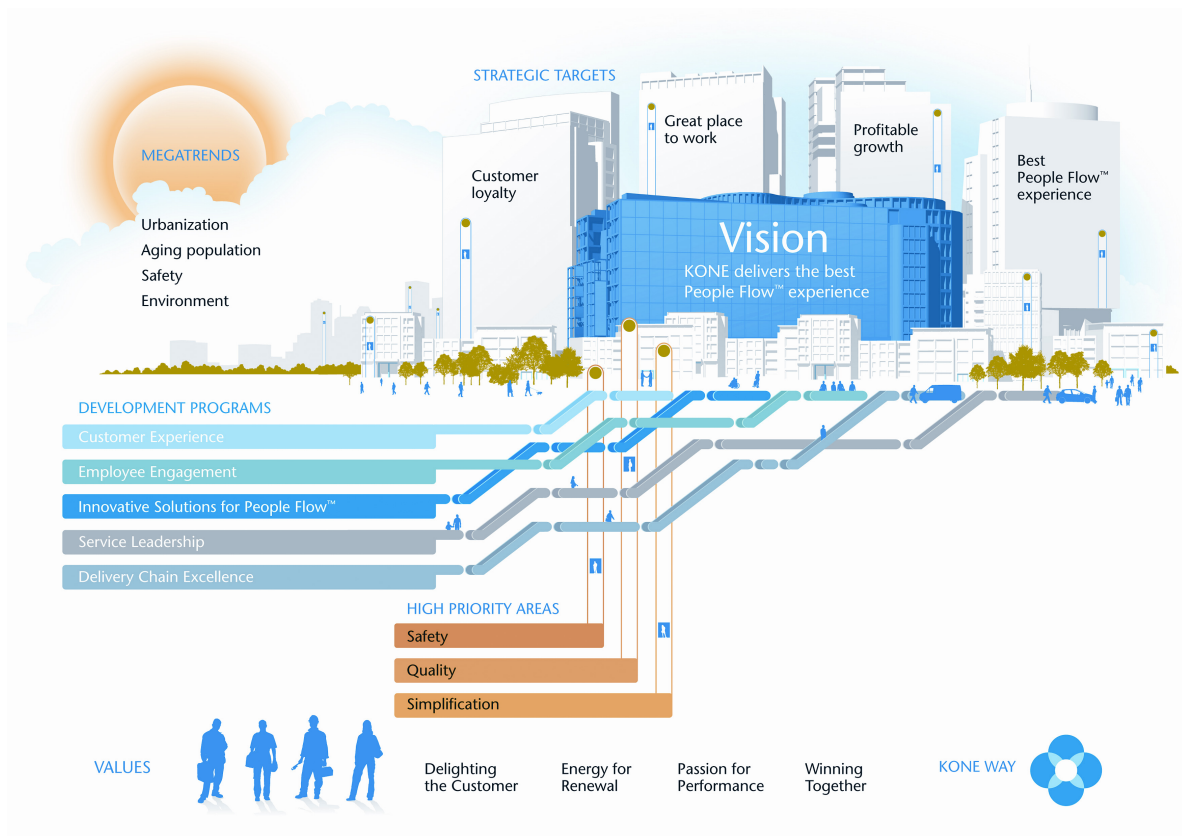


Figure 1: The Big Picture Poster (KONE, 2012b)

As Figure 1 shows, the implementation of strategy is focused through five development programs, also referred to as “must-win battles” (henceforth also “MWB”, “development program” or “strategic initiative”). The first MWBs were launched in the beginning of 2005. The programs have been reviewed and reformulated in the beginning of years 2008 and 2011. The programs published in the beginning of 2011 are as follows (KONE, 2012c):

**Customer Experience:** Using the increased understanding of different customers and markets served by KONE to create best-in-class interactions with customers, across the business system.

**Employee Engagement:** Ensuring a leadership culture that engages, empowers, and inspires employees. Providing personal and professional development and growth opportunities for all people at KONE. Promoting wellbeing and safety in the work environment.

**Innovative Solutions for People Flow™:** Providing the best user experience by utilizing our segment understanding and translating this into industry leading technologies, eco-efficient innovations, and appealing visual design.

**Service Leadership:** Ensuring the best life-cycle performance of our customers’ equipment by extending our technicians’ capabilities and securing high quality service performance.

**Delivery Chain Excellence:** Securing seamless and cost-competitive deliveries all the way from suppliers to the installation phase, performed to the highest quality and eco-efficiently.

These five MWBs constitute the core of KONE’s strategic development, and they are in turn split into subprograms and –initiatives. The strategy creation process at KONE

includes up to 200 people, and the progress within each development program and its subprograms was for several years reviewed and followed up on a monthly basis. Since the beginning of 2011 this review period has been once every three months or when needed.

In addition to the aforementioned strategy initiatives, KONE has separately compiled a social media strategy. Its relevant target groups are displayed below in Figure 2.

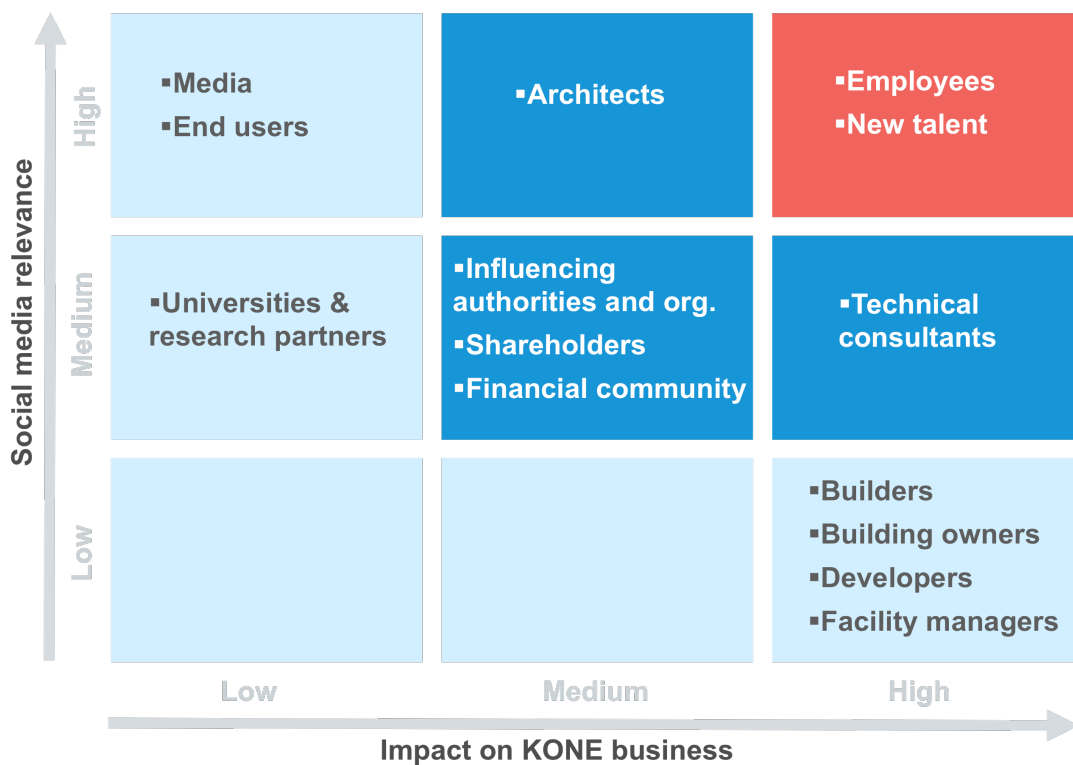


Figure 2: KONE’s relevant social media target groups (KONE 2012d)

Figure 2 demonstrates that the internal aspect is of high importance. The employees are considered as having a large impact on KONE’s business, and that to them social media is deemed relevant. The goal of social media use is to “engage employees and enhance internal collaboration”. The usage levels of different social media tools at KONE are depicted in Table 3 below (KONE, 2012e).

Table 3: Userbase of different social media at KONE (adapted from KONE, 2012e)

<b>Tool / channel</b>	<b>Current KONE userbase</b>
Intranet on Sharepoint 2007	15,000
Blogs (intranet)	15,000 (approx 1100 distinct users/month)
Discussion forums (intranet)	15,000 (IT Corner 2030 People Flow Day 990 unique pageviews)
Team sites on Sharepoint 2003 (Over 6,000 team sites existing currently)	15,000
Innovation tool developed by R&D	1100
Instant messenger (requires manager's approval to install)	7,500
KONE group in Chatter (Salesforce.com social media application)	4,400 (approx 200 distinct users/month)
KONE group in Yammer* (An external enterprise networking / micro blogging service)	Over 2,000
KONE group in LinkedIn*(An external service for KONE employee networking)	LinkedIn/ Alumni: 805

As Table 3 shows, KONE has activity of varying intensities in a variety of social media tools, and that the potential audience for some of them is of a considerable size. However, depending on definitions (e.g. frequency of use), the size of actual userbase may not be even in the same order of magnitude. Furthermore, three items on the list

(Blogs, Discussion forums and KONE group in Chatter) were classified as “new” tools. A separate approximation of these tools’ actual userbase is thus disclosed as well.

### **1.3 Structure of the thesis**

This thesis is divided into six chapters. Chapter 1 introduced the subject of the study and established relevant research in the fields of the study. It then continued to justify the scope and aim of this thesis and stated the gap in research this study aims to fill. The first chapter also introduced the goals of the study via research questions and described the case company.

Chapter 2 consists of a literature review. It reflects in depth on a variety of existing theoretical knowledge on the fields of strategy, strategy communication, dialogue and social media. The theories are contrasted, synthesized and criticized where appropriate. The second chapter concludes with the introduction of an analytical framework for the purposes of this study.

Chapter 3 focuses on methodology. It begins with a description and justification of the chosen methodological approaches, and goes on to describe how the data was acquired and analyzed. Lastly, it assesses the trustworthiness of the study.

Chapter 4 catalogues the findings that were procured through the analysis of data. They are presented as a combination of a descriptive text and data in different formats. This chapter is divided according to the research questions, and analyzes each of them separately.

Chapter 5 discusses the findings. They are reflected against the theories presented in Chapter 2 and commented. The contribution to or departure from theory is stated, and the analytical framework will be revisited and reviewed.

Chapter 6 presents the conclusions drawn from the data analysis and reflection. It starts with a research summary, which recapitulates the background, theory and methods of the thesis. The chapter goes on to answer the research questions and research problem. It then presents some practical implications that the analysis and literature suggest. Finally, the chapter notes the limitations of the study and suggests avenues for future research in the field.



## **2. LITERATURE REVIEW**

This chapter gives a more detailed view of some of the existing research in the fields of corporate strategy, strategy communication and social media. The existing theories of corporate strategy are seminal to this research, as it attempts to discern opinions and perceptions of strategy and its connection with the case company's daily activities. Strategy communication on the other hand is a crucial part of the strategy implementation process. Social media, a relatively unexplored subject in academic research, is one of the key background variables of this study, as well as a tentative tool for strategy communication.

Section 2.1 presents views and theories on corporate strategy creation and implementation. Section 2.2 elaborates on internal strategy communication. Particular focus is placed on the receiving and interpreting of strategy messages. Section 2.3 introduces social media as a tool. It presents different approaches to the term *social media* by various authors and concludes by underlining the common denominators in these studies. Consequently the section suggests a definition of social media for the purposes of this research. In Section 2.4 social media is analyzed in a cross-generational context and from an acceptance viewpoint. Finally, section 2.5 combines the reviewed literature into an analytical framework for the purposes of this thesis.

### **2.1 Corporate strategy creation and implementation**

Although the concept of strategy—as an integral planning part of warfare—dates back to the Old Testament, social scientists Von Neumann and Morgenstern first linked it to the conduct of business through their theory of games (Bracker, 1980). Strategy was adopted quickly for the study of leadership and management, and many articles were published on the subject in the late 1950s and early 1960s. However, these approaches

generally stemmed from a very mechanistic perception of humans (e.g. Ansoff, 1965). Today, corporate strategy refers to the planning and implementation of goal-oriented activities, which aims to ensure economic success in the future (Karlöf, 1996, p. 14).

This section focuses on strategy creation and subsequent strategy implementation. For example Pettigrew (1987) posits that "...the content, the context and the process are intertwined and affect one another", and the data collected in this study will be analyzed with this viewpoint in mind. However, in the interest of structure the strategy creation process and the consequent strategy implementation process are analyzed largely separately. Subsection 2.1.1 reviews strategy creation and reformulation. In subsection 2.1.2 strategy implementation is elaborated upon.

### **2.1.1 Strategy creation and reformulation**

Mintzberg (1978) conducted a seminal study, which introduced to the world the now widely known and extensively cited model of strategy formation. The model is presented below in Figure 3. In his study he categorized the three main forces influencing strategy formation in the following way:

- (a) An **environment** that changes continuously but irregularly with frequent discontinuities and wide swings in its rate of change,
- (b) An organizational operating system, or **bureaucracy**, that above all seeks to stabilize its actions, despite the characteristics of the environment it serves, and
- (c) A **leadership** whose role is to mediate between these two forces, to maintain the stability of the organization's operating system while at the same time insuring its adaptation to environmental change. (Mintzberg, 1978, p. 941)

In essence, organizations strive to adapt themselves to their ever-changing environment. They are constrained by the momentum—or lack thereof—of bureaucracy. Lastly, leadership can either accelerate or decelerate this adaptation.

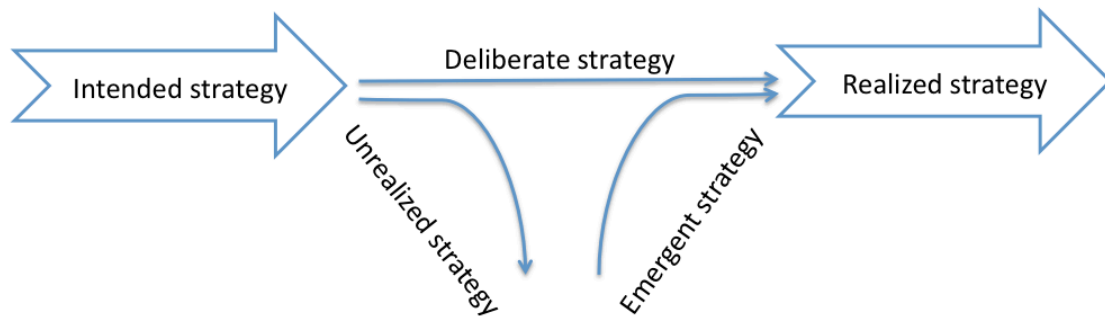


Figure 3: Types of strategies (Mintzberg, 1978, p. 945)

Figure 3 highlights the compositional discrepancies between the strategy that an organization’s management initially planned and the strategy that was realized. It shows that although parts of the original strategy survive, some parts are left unrealized and some parts emerge from outside the plans, effectively creating a new synthesized strategy, which is dubbed ‘the realized strategy’. The proportion of deliberate strategy in relation to emergent strategy in the final product varies case by case. Mintzberg (1978) went on to explain why a traditional planning view of strategy was not viable:

“Planning theory postulates that the strategy-maker "formulates" from on high while the subordinates "implement" lower down. Unfortunately, however, this neat dichotomy is based on two assumptions which often prove false: that the formulator is fully informed, or at least as well informed as the implementor, and that the environment is sufficiently stable, or at least predictable, to ensure that there will be no need for reformulation during implementation.” (Mintzberg, 1978, p. 946)

The extent to which the two main actors—the planner and the implementor—are informed of the factors central to a successful strategy is a central question in this study, as well as the flows of information that affect the aforementioned division of information. Particularly due to the nature of this thesis' case company's strategy creation process, the need for strategy review and reformulation are central concepts to this research.

Contesting Mintzberg's (1978) view of a relatively static environment to which the company needs to adapt, Kamensky (2000) has a decidedly different view. He hypothesizes that one important goal of strategy is to control the environment. It is worth noting that control does not explicitly refer to a forced adapting of environment to fit the strategy, but can be divided into three levels.

- 1) The company can strive to adapt its strategy to changes in the environment.
- 2) The company can affect its environment and modify it to parallel its strategy.
- 3) The company can choose its business environment.

These three options are not to be seen as mutually exclusive. In fact, the most ambitious companies endeavor to effectively utilize all three approaches simultaneously and interchangeably (Kamensky, 2000, pp. 20-21).

Whittington (1996) takes a matrix-based approach to strategy. He compared four approaches to strategy creation and implementation, based on two axes, as seen in Table 4. The Y-axis determined whether the focus is on “where”—i.e. the ultimate goal of the strategy—or the “how”—i.e. the different methods and means to reach said goals. On the X-axis is the focus group of the strategy creation. It discerns the approaches based on whether it concentrates on the actors within the organization—the creators and implementers of strategy—or the entire organization, which is simultaneously the product and motive of strategy.

Table 4: Four perspectives to strategy (Whittington, 1996)

		Levels	
		Organizations	Managers
Issue	Where	Policy	Planning
	How	Process	Practice

Counterclockwise from the top right quadrant of Table 4, the approaches are as follows:

**Planning:** The planning approach has been applied to strategy research since the 1960s. The goal of the research has been to develop tools and techniques, such as portfolio matrices and core competence analyses, to aid managerial decision-making. (Whittington, 1996). This is the approach adopted by, for example, Mintzberg (1978).

**Policy:** The policy viewpoint dates back to the 1970s. It has focused on observing different strategic directions, such as diversification, innovation, mergers and acquisitions, joint ventures and internationalization. Specifically it analyzed the profitability of said directions for the entire organization (Whittington, 1996).

**Process:** In the 1980s interest turned to the action processes within the entire organization. The research focused on how organizations identify a need for a change of direction, and how this change is achieved (Whittington, 1996).

**Practice:** The process view shifted its focus in the 1990s to examine the actions of strategy makers. The Strategy-as-practice (SAP) view examines what managers and leaders do in the strategy creation and implementation process (Whittington, 1996).

Whittington (1996) posits that the various people in the strategy creation process can experience SAP quite differently. He states that the strategy creator needs to possess an understanding of local customs and a skill of effectively applying the models of strategy above and beyond the “textbook” setting. He furthermore emphasizes the need to understand the different actors in the process and what their roles are. The official and unofficial roles of strategy formation and communication, touched upon by Mintzberg (1978) will be discussed further in the next subsection.

### **2.1.2 Strategy implementation**

Like Mintzberg (1978), also Aaltonen and Ikävalko (2002) contemplate who the strategists really are and what degree of the planned strategy becomes reality and in what proportion to emergent strategy. Their view on the reiterative and ongoing process of strategy formation and reformation will be presented and discussed in this subsection.

Aaltonen and Ikävalko (2002) studied the process of strategy implementation in a number of companies. One of their main findings was that the planned communication process connected with strategy implementation still had plenty of room for improvement in most surveyed companies. They also noted, that “a lack of understanding of strategy was one of the obstacles of strategy implementation observed in this study.” (Aaltonen & Ikävalko, 2002, p. 417). A model of iterative strategy implementation was proposed, shown below in Figure 4.



Figure 4: Strategy implementation as a link between planned and realizing strategy (Aaltonen & Ikävalko, 2002)

As Figure 4 shows, the model discerns between communication, interpretation and adoption actions. Aaltonen and Ikävalko (2002) note that these components are neither automatically successive nor detachable from one another. Furthermore, while strategy and the terminology related to it were deemed important and on the whole comprehensible, the understanding did not on the whole carry to the contents of the strategy, particularly when it needed to be connected to everyday decision-making.

Likewise, Aaltonen and Ikävalko (2002) claim that the amount of strategy communication does not necessarily correlate with a better understanding of strategy. They also discovered, that while most of the surveyed companies practiced “linear, top-down communication” there was a clear connection between having the ability to comment and ask questions about the strategy and how well the strategy was understood. In addition, they highlight the participation of personnel: “By encouraging

personnel to develop their abilities to participate in the strategy process, strategic capabilities can be developed.” (Aaltonen & Ikävalko, 2002, p. 417).

The view of the importance of participation is shared by Sterling (2003), who cites lack of understanding of strategy as one of the seven reasons for strategy failure. He also mentions that by enabling managers to participate directly in the strategy creation process the company enables a deeper engagement and understanding. On the other hand, Sterling (2003) not only cites this as only one of seven reasons for strategy failure, but also chooses to talk about “management” instead of “employees”. It is worth noting that this contributes to creating a type of mental separation of managers and non-managers.

On the subject of strategy communication actors—the people that steer, facilitate and enable the strategy process—Aaltonen and Ikävalko (2002, p. 417) highlight the “pivotal” role of middle management. They posit that middle managers require adequate skills in communication in order to be able to participate in the process, and point out that middle management is particularly salient in the context of emergent strategy, where strategy flows both downwards from the top and upwards from the lower echelons of the organization.

To summarize Section 2.1, the views of Mintzberg (1978), Kamensky (2000) and Whittington (1996) focus mainly on the approach to the strategy process. Mintzberg (1978) in particular concentrates on the actual content of strategy and how it is created. His perceptions on the role of leadership as an accelerator or detractor of adaptation to environment are seminal for the purposes of this study. The view is somewhat contested by Kamensky (2000), who hypothesizes that companies aim to control their environment. On the other hand, Kamensky (2000) also underlines the contents of the strategy in relation to the company’s environment. Whittington’s (1996) theory shifts the focus into how the strategy is practiced, or implemented. The central role of the actors and their roles give Whittington’s (1996) SAP model relevance in the scope of



the present study, above all his view that dialogue is more important one-way communication.

Aaltonen and Ikävalko (2002) highlight the choices of the actors and their actions during the implementation and postulate that strategy formation is a reiterative process, which can be improved by good communication and by enabling employee participation. Aaltonen and Ikävalko's (2002) research is relevant to this research for several reasons. First, it underscores the iterative, two-way communication, review and reformulation process in strategy. Second, it notes the difference between communication and interpretation. Third, it highlights the role of middle management as strategy communicators. Finally, their claim, that "Strategic action can be cultivated by linking individual goals to strategic goals in goal-setting discussions between superiors and subordinates" (Aaltonen & Ikävalko, 2002, p. 418) is in line with the managerial perception of strategy communication at the case company. Furthermore, this study also attempts to reflect on opposing viewpoints on strategy communication, particularly how the managerial intent is paralleled by employee perceptions and how the strategy is experienced on different organizational levels.

## **2.2 Internal strategy communication**

This section describes perspectives to strategy communication in the internal communication context. Subsection 2.2.1 focuses on vertical dialogue, departing from the view of top-down strategy communication to include upward communication. Subsection 2.2.2 presents Mustonen's (2009a) six frameworks for the reception of strategy communication.

Internal communication was until recently defined as "communication with employees internally within the organization" (Cornelissen, 2011, p. 164). The introduction of social media and other online tools has made this distinction between internal and

external communication somewhat more ambiguous. This is partially due to the converging and intertwining roles of “communicator” and “audience”. In essence, recent technological advantages have empowered the employee to becoming an internal or external communicator in his/her own right.

According to Alexander (1991) one of the biggest reasons for problems in reaching strategic goals is not that the strategy itself is inadequate, but rather that the goals of the company are not fully understood by the employees. This indicates that strategy communication is a crucial step in the implementation process, and that failing to create an adequate understanding of strategy throughout the organization can lead to strategic failure.

Earlier, Alexander (1985) surveyed strategy implementation and found that another reason for strategy implementation issues is that the people who were seminal in creating the strategy did not have a large enough role in its subsequent implementation. This suggests that strategy creators need to have another role as strategy communicators in order to obtain results. Alexander (1985) also noted that a significant factor in failed strategy implementation was that the most important tasks and activities in the implementation process were not defined in enough detail.

### **2.2.1 Vertical dialogue**

Cornelissen (2011) describes downward communication as “electronic and verbal methods of informing employees about their organization, its performance, and their own contribution and performance in terms they can comprehend”. Two concepts are central to downward communication: management communication—i.e. communication by managers of different functions to their subordinates—and corporate information and communication systems (CICS)—i.e. the more general broadcasting of

corporate information and dissemination of information with the aim of keeping employees informed about the company (Cornelissen, 2011, p. 165).

Balogun and Johnson (2006, pp. 1–2) underline the role of middle managers as both receivers and conveyers of strategy messages. They highlight that the middle management's sensemaking of the strategy has an effect on how it is conveyed further posing, that "The acknowledgement of the agency of those outside the senior management team alerts us to the need to understand how these managers react and respond to such top-down change plans if we are to understand how change develops."

Although the effective top-down communication of a well-planned strategy is of crucial importance, the significance of upward communication needs to be addressed. Tourish (2005, p. 487) states, that "honest communication between those without managerial power and those who have such power [...] is a crucial ingredient of any effective strategy formulation and implementation process, and a barometer of organizational health." Without critical upward communication organizational decision makers are likely to lose their touch and perception of the employees (Tourish, 2005). This can ultimately lead to strategic and even organizational failure. The very grave consequences notwithstanding, there are forces that prevent employee participation (Tourish, 2005; Cornelissen, 2011). For example, according to Tourish (2005), managers tend to be loath to listen to and accept critical feedback from subordinates.

The filtering that happens in upward communication exacerbates the problem because it distorts and detracts from information. As employees in the middle of the upward communication process strive to please their superiors and galvanize their position, they are wont to play down or downright mute any criticism and blow positive feedback out of proportion. Tourish (2005) found that in several companies top management was shocked to hear an analysis revealing critical feedback about their practices, even though they generally claimed to be well aware of any and all positive findings.

The role of dialogue and the encouragement of earnest upward communication is thus important for the management to be able to attain accurate and timely information from the organization. However, it can hardly be the only form of internal communication for an organization with many employees. Indeed, according to Welch (2007, p. 187) “One-way communication from strategic managers to all employees is both unavoidable and necessary.” The reason for this is its economicality—the possibility of reaching a vastly greater number of recipients with a single message, instead of having to engage in a dialogue with each of them separately.

### **2.2.2 Six frameworks for receiving strategy messages**

Mustonen (2009a) conducted a quantitative study of the strategy communication efforts of a Finnish banking and insurance company. The goal of the study was to gain an insight to strategy communication that focuses on the recipients’ interpretation of the messages, and to find out how different interpretation frameworks contribute to or detract from successful strategy implementation. Earlier literature had often considered the role of the recipient as interpreter secondary to the sender and the message (see e.g. Shannon & Weaver, 1949).

Mustonen (2009a) identified six different interpretation frameworks that recipients rely on when receiving and interpreting strategy messages from the top management. She also concluded that the choice of framework has a major impact on how well the strategy was understood. She founded her reception frameworks around four methods (the structuring method, the classification method, the operationalization method and the communal reflection method), which were connected and applied together to form six frameworks (translated from Mustonen (2009a) by author):

1. The rejecter’s framework
2. The satisfied recipient’s framework

3. The ambassador's framework
4. The knowledge-seeker's framework
5. The busy person's framework
6. The critic's framework

Each framework is distinguished from the others by its characteristics, the attitudes it contains, the behavior it incites and the actions it initiates. The six frameworks as identified by Mustonen (2009a) are presented and discussed in further detail below.

### **1. The rejecter's framework**

The rejecter's framework (RF) emphasizes the distance between corporate strategy and the recipient's own work. To a large extent this framework is characterized by the perceived lack of link between the strategy message and daily activities, as well as the aversion to "fancy strategy language". This misalignment may cause the recipient to refrain from even trying to comprehend the strategy message. Strategy is thus viewed as something that detracts from rather than contributes to the hours reserved for work.

Reasons behind choosing RF are numerous. For example, if the recipients' own work input is measured and evaluated on a quantitative basis, such as number of customer contacts or deals, they are less likely to dedicate their valuable time to activities perceived to be outside their immediate targets. RF is further defined by a passive attitude towards strategy – in other words, the recipient does not actively seek strategy communication.

### **2. The satisfied recipient's framework**

The satisfied recipient's framework (SRF) is underlined by a sense of connection with the recipient's work and strategy. The framework is entwined to the concept of operationalization, through which the recipient focuses on the positive aspects of the message and considers the message beneficial to his activities. The strategic direction is

seen as concrete and coherent. The SRF is thus viewed generally as a framework that advances the implementation of the strategy.

### **3. The ambassador's framework**

The ambassador's framework (AF) usually stems from the recipient's perceived need to transmit the strategy messages onwards. This relates to how the recipient sees his/her role as a sense-maker of the strategy. This framework is particularly common among middle management employees, who are often bottlenecks of top-down information flows. Thus the AF causes the recipient to attempt to familiarize him/herself profoundly with the core of the strategic message.

AF can create considerable amounts of pressure for the recipient if she considers him/herself unable to transmit the information, or if she feels incapable of understanding the strategy. Usually this is remedied by the recipient seeking more information on strategy from various sources or by asking for clarification from superiors. The AF recipient will greatly benefit from different tools and technological aids in which the strategy analysis has been conducted already and he/she does not need to perform the analysis herself.

### **4. The knowledge-seeker's framework**

In the knowledge-seeker's framework (KF) the emphasis is on the recipient's active role and desire to profoundly comprehend the strategy. In the KF the focus is on the quantity and quality of strategy communication, which is frequently perceived as insufficient or not timely enough for the recipient's information and communication needs. Nonetheless the KF recipient considers strategy communication as interesting and relevant to his/her work.

Despite of the positive title, the KF contains plenty of dissatisfaction. Frequently this is due to the phase at which the KF recipient is included in the strategy communication and implementation flow. The recipient faces challenges when he/she is required to

quickly grasp the contents of the message in order to convey them to his subordinates. Here the KF recipient's critical dependence on the strategy communicators becomes apparent.

The KF recipient perceives strategic communication and insight as beneficial to his/her work. He/she has decent base knowledge of the strategy and is eager to learn more. The primary obstacle to these endeavors is the strategy communicator, who conveys strategy messages that are considered insufficient or too narrowly defined from the recipient's point of view.

### **5. The busy person's framework**

In the busy person's framework (BPF) focus is on the insufficiency of time for allotted tasks that the recipient has to accomplish. He/she is not able to fulfill all his/her tasks in the time he/she is given and therefore needs to prioritize his/her attention. Strategy communication is not exempt from this prioritization. Since the experience is subjective, it may also be symptomatic of the recipient's inability to manage his/her time. Studying strategy materials is viewed as subject to other, more crucial tasks and the aforementioned time constraint.

Since the BPF also highlights efficient use of time, the recipient appreciates concise and efficient strategy communication as well. The recipient may consider the Intranet a difficult channel for obtaining strategy messages because the texts are often long and may not be quickly skimmable. Moreover, the relevance of the message sender to the recipient's duties affects how well the message is received.

### **6. The critic's framework**

The critic's framework (CF) emphasizes a high level of expertise and a desire to develop strategy communication further. A typical CF recipient is a highly educated person who advances on his/her career. The recipient regularly reads challenging texts and applies them in his/her work. Therefore he/she may disregard communication

regarded as condescendingly simple. He/she creates an image of the received text and parses it accordingly.

The CF recipient understands that the audience for the strategy messages is not homogeneous and consequently calls for messages tailored for the different audiences. A uniform approach to strategy communication is viewed as unappreciative of the audience. This perception may then become a primary reason why strategy communication does not reach its recipient.

The abovementioned six frameworks as identified by Mustonen (2009a) form a part of the analytical framework of this study. They will also be reflected upon in Chapter 4, when the findings of this study are analyzed. They are of particular interest in the context of employee perceptions of strategy communication in the case company. Examples of different employee perceptions of strategy communication will be presented and the content compared to Mustonen's (2009a) framework.

To summarize section 2.2, internal communication of strategic and non-strategic nature consists of different messages sent within an organization between employees (Cornelissen, 2011). The communication is both vertical and horizontal, where vertical communication is most relevant in the context of strategy communication (Aaltonen & Ikävalko, 2002; Tourish, 2005). The presence or absence of vertical dialogue may have implications for the success of strategy communication.

Furthermore, focus on the sender of strategy messages is not sufficient to gain a holistic picture of the strategy communication process. Therefore it is necessary to have a perspective for approaching the employees' (as opposed to management) processing of the strategy messages, which can be done through the use of interpretation frameworks (Mustonen, 2009a).



## 2.3 Social media as a tool

This section sheds light on the approaches to social media, and proposes a classification for the context of this study. Social media continuously evades an exhaustive definition, and simultaneously encompasses many different meanings (see e.g. Thomas & Barlow, 2011). This makes it a challenging term to use for the purposes of this thesis, evoking different associations within different interpreters. Therefore it merits more detailed and exclusive defining. The following subsections aim to underline and highlight certain recurring aspects of social media and ultimately suggest a definition to be used for the rest of the thesis.

In subsection 2.3.1 McAfee's (2009) definition of social media as an Emergent Social Software Platform is introduced. In subsection 2.3.2 Mustonen's (2009b) and Kaplan and Haenlein's (2010) matrix-based approaches to social media categorization are compared and contrasted. In subsection 2.3.3 the use of 90-9-1 rule (McConnell & Huba, 2006) in social media is introduced, and its effects on using social media as a communication tool are reflected on. Subsection 2.3.4 suggests a definition and categorization of social media tools for the use of this study.

### 2.3.1 Social media as an Emergent Social Software Platform

McAfee (2009, p. 69) coined the term Emergent Social Software Platform (ESSP) in the book *Enterprise 2.0: New collaborative tools for your organization's toughest challenges*. It is a term partially synonymous to social media but containing a more precise set of definitions:

**Emergent** means that the software is optional, egalitarian and free of dictated structure.

**Social software** enables the formation of online networks and communities with the aid of computing.

**Platform**, as opposed to channel, describes a way of communication that is globally visible by default as well as persistent over time.

The aforementioned definitions are still not entirely exhaustive or free of ambiguity, especially when reflected against an enterprise setting. The degree of emergence of a given tool in an organizational setting is likely to be less than outside the boundaries of hierarchy. This creates a situation, where managers have to seek a delicate balance between top-driven strategy hierarchy and lower-level emergence of opinions and viewpoints.

Furthermore, while the concept of platform gives an important distinction to social media—namely, that it is a channel for mass broadcasting rather than a bilateral closed system—the persistence of material over time is not a given, especially in a closed, company environment where moderators have the right and often the responsibility to delete material they deem undesirable or clashing with the direction or values of the organization. The definitive characteristics of ESSP and the juxtaposition of said definitions to a constricting setting create a difficult organizational control situation that may increase tension.

### 2.3.2 Social media as a matrix

Mustonen (2009b) presents a matrix for classifying different social media tools (Table 5). The distinction is based on their ability to facilitate the sharing of information and engaging social commitment.

Table 5: Social media tools matrix (Mustonen, 2009b)

<b>Strong need for sharing information</b>	Photo-, audio- and video-sharing Wikis	Discussion forums
<b>Weak need for sharing</b>	Virtual worlds	Social networking sites

<b>information</b>		
	<b>Weak need for social commitment</b>	<b>Strong need for social commitment</b>

As Table 5 shows, Mustonen (2009b) distinguishes four classes of social media tools. Of those tools that exhibit a strong need for information sharing, photo- audio- and video sharing sites (e.g. YouTube, Flickr) and collaboratively edited sites with rigorous control over version history, i.e. Wikis (e.g. Wikipedia) are examples of tools with a low need for social commitment. Discussion forums instead have a higher need for social commitment. Conversely, Virtual worlds (e.g. Second life) and Social networking sites (e.g. Facebook) have a weak need for sharing information. Of the two latter, Virtual worlds have a weak need for social commitment, whereas social networking sites have a strong need.

Also Kaplan and Haenlein (2010) adopt a matrix approach to defining social media. Their matrix (Table 6) focuses on the axes of self-preservation / self-disclosure and the extent of media richness.

Table 6: Classification of social media by Social presence/Media richness and self-presentation/self-disclosure (Kaplan & Haenlein, 2010)

		<b>Social presence / Media richness</b>		
		<b>Low</b>	<b>Medium</b>	<b>High</b>
<b>Self-presentation / Self-disclosure</b>	<b>High</b>	Blogs	Social networking sites (e.g., Facebook)	Virtual social worlds (e.g., Second Life)
	<b>Low</b>	Collaborative projects (e.g. ,Wikipedia)	Content communities (e.g., YouTube)	Virtual game worlds (e.g. World of Warcraft)

Comparing Table 5 and Table 6, it becomes apparent that there are some similarities and distinctions in the matrices that merit further analysis. Both use the degree of social

engagement (presence/commitment) as one of the metrics. Presence and commitment are not outright synonymous with one another but they both imply a sense of active belonging and being a part of something that includes other individuals. Therefore this can be considered one key definition for social media.

Although “media richness” (see Table 6 above) does determine many things also in an enterprise environment, it is not the most crucial aspect of social media, but rather a technological consideration that applies as much to any “non-social” tool. On the other hand, “information sharing” (see Table 5 above) is in and of itself an important aspect of organizational work, and therefore a significant characteristic.

### **2.3.3 The 90-9-1 rule in social media contribution**

In social media, and in Internet more generally there are fewer content producers than there are content consumers. This is naturally true outside of the Internet as well. Nielsen (2006) analyzed the ratio of content producers, content editors/modifiers and content consumers. He found that the ratio is roughly 90%, 9% and 1%, respectively. What it implies is that 90% of the users of a service are “lurkers” who do not contribute. 9% are “editors”, “commenters” or “intermittent contributors” who contribute some original material and edit existing material. The remaining 1% is responsible for producing a vast majority of the content in the service.

The 90-9-1 rule in an Internet context was first suggested by McConnell and Huba (2006). The division between consumers and contributors is salient in the scope of this research, as it implies an innate skew in communication. In other words, even if egalitarian dialogue is encouraged by the organization, the inherent nature of social media is likely to show that a fraction of users produces the content. According to Nielsen (2006) the ratio for blogs is even more skewed, and he suggests a ratio of 95-5-

0.1 based on the number of Internet users, the number of bloggers and the number of users who post daily in their blogs.

Naturally, in an organizational context it is not unexpected to see this kind of skew, given that it is most often the communication function—or a variation of it—that is officially responsible for content creation and editing. Nonetheless, it is relevant to know what the ratio of content producers to content consumers is in the case company, and how much the ratios differ between extra-organizational and intra-organizational media use.

There are several adverse implications in the ratio, the biggest and most obvious being that the system is not representative of the totality of its users, but rather only the most active minority. If the same 1% contributes continuously, the system will inevitably convey their thoughts, their agenda and their mindset. This shaping of social reality shares some parallels with agenda-setting theory (McCombs & Shaw, 1972)—a theory originally framed in the context of mass media communication, but subsequently adapted to an organizational intranet context by e.g. Lehmuskallio (2008)—in that a small minority is responsible for highlighting what they deem important information, and therefore shaping the mindset of the majority of employees in the organization.

It would seem a logical conclusion that the egalitarian and inclusive nature of social media, which muddles the previously rather crisp distinction between media and audience, would serve to undermine the premises of the agenda-setting theory. In the light of the 90-9-1 rule, the credibility of this conclusion is severely diminished. The question remains, whether the masses' exposure to the traditional mass media agenda setting has left the majority of social media users with the mindset that meaningful content is simply created elsewhere.

According to Nielsen (2006) the contributor-lurker skew is an intrinsic part of the Internet and cannot be entirely negated. The most relevant question for an

organization's management is whether they should attempt to incrementally unskew it (e.g. towards a ratio of 85-14-6). Considering that much useful and viable organizational knowledge is lost in the absence of two-way communication (Hämäläinen & Maula, 2004, p. 42; see also Tourish, 2005), this is a valid and compelling contemplation.

### **2.3.4 Classification of social media and grouping of social media channels**

The previous subsections have highlighted some of the most universal aspects of tools classified under the social media umbrella. Social media has been approached from a variety of defining angles. It is clear that since the subject is being increasingly discussed in both academic and executive circles, competing definitions will arise also in the future. Drawing from the preceding analysis, a working definition of social media is proposed.

Social media is a variety of egalitarian online platforms, through which an individual or organization can share content with his/her interest groups, in which published content is by definition public rather than private, and which enables public dialogue.

For the purposes of this study social media tools were classified into five groups. However, due to the inherently converging and cross-pollinating nature of social media services—for example photo and video services being an integral part of Facebook, and there only being a subtle, nuanced difference between microblogging and status updates—these groups are partially overlapping. The groups are presented in Table 7 below, and their main characteristics are explained.

Table 7: Social media tool groups

<b>Group</b>	<b>Examples</b>	<b>Main function</b>
Social networking sites	Facebook	To facilitate social and informal communication.
Microblogging services	Twitter, Yammer, Qaiku	To facilitate broadcasting and following short, categorized messages, and share relevant content
Picture and video services	Flickr, YouTube	To facilitate watching and publishing pictures and video to a wide audience
Blogs and discussion forums	Blogger	To facilitate reading and publishing content that encourages feedback and discussion
Collaboration tools	Wikipedia, Google Docs	To facilitate reading and simultaneous, collaborative editing of developing content

The division presented above in Table 7 is the one used in the data collection as well. The survey presented in section 3.2 asked the respondents' use (both "following" and "contributing") of the abovementioned five groups of social media tools. It is expected that there are significant differences in the usage level of these five toolsets.

To summarize Section 2.3, social media is a constantly developing field and an umbrella term to a variety of online tools (e.g. McAfee, 2009; Mustonen, 2009b; Kaplan & Haenlein, 2010; Thomas & Barlow, 2011). They can be classified in different ways, yet they share certain characteristics, which were incorporated into the suggested definition of social media. Social media tools for their part make the Internet more egalitarian through empowering users to become content creators.

However, according to Nielsen (2006) social media tools are still most often subject to a skew between those who produce content and those who merely consume content. In this study's data collection survey the respondents were asked about their use of social media tools. This makes Nielsen's (2006) 90-9-1 rule relevant because the creation of an atmosphere that encourages open, two-way communication largely interplays with the notion of content producers, commenters and lurkers.

## **2.4 Factors in social media acceptance**

The usage levels of certain social media services have grown nearly exponentially in the last few years (e.g. Securities and Exchange Commission, 2012). The subsequent adoption of social media tools into an organizational setting has followed, although at a considerably slower pace (McAfee, 2009). Of the several proposed reasons for the varying levels of adoption that can be applied, two are presented in this section. Subsection 2.4.1 introduces the Technology Acceptance Model (Davis, 1985) and its successors. In Subsection 2.4.2 generational considerations are introduced as a tentative factor in social media acceptance.

### **2.4.1 Technology Acceptance Model**

The Technology Acceptance Model by Davis (1985) posits that the usage of a given system is affected by the user's attitude toward its use, which is in turn shaped by two factors: The perceived usefulness and the perceived ease of use. The model is presented in Figure 5 below.



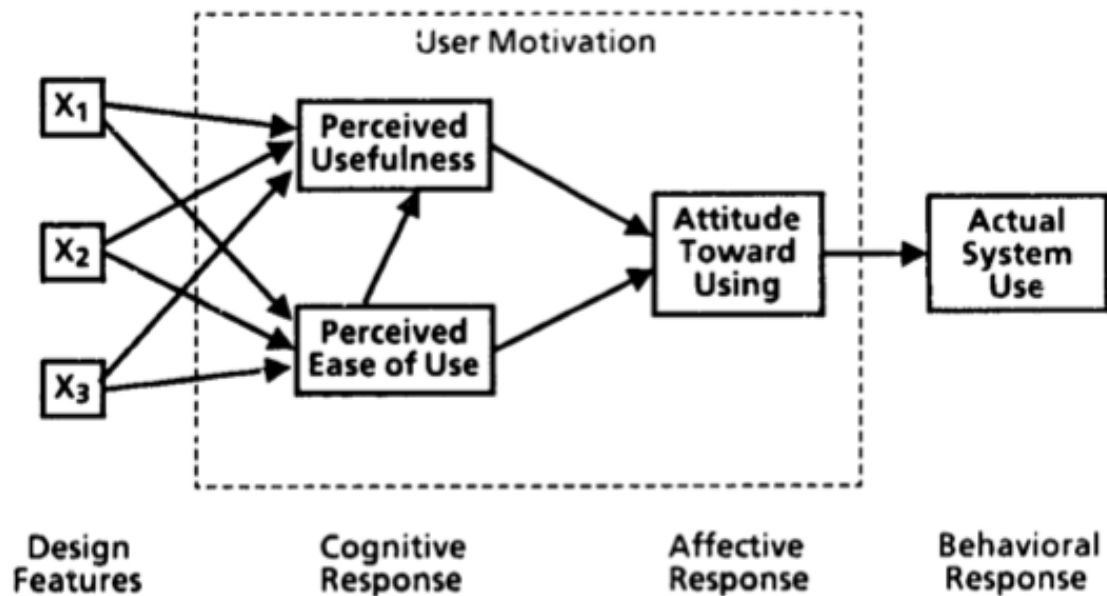


Figure 5: Technology Acceptance Model (Davis 1985)

The model presented in Figure 5 was recognized widely as a model that explains a significant amount of variance in a given system user’s usage intentions and behavior (Davis, 1985). Venkatesh & Davis (2003) presented a theoretical extension to the model. It was expanded and elaborated to include more subvariables under the “perceived usefulness” variable. The new model is henceforth referred to as TAM2. One of the most salient additions for the purposes of this research was the introduction of subjective norm, which explains that “people may choose to perform a behavior, even if they are not themselves favorable toward the behavior or its consequences, if they believe one or more important referents think they should, and they are sufficiently motivated to comply with the referents.” (Venkatesh & Davis, 2003).

This “social pressure” is particularly relevant in an internal communication setting. Venkatesh and Davis (2003, 188) posit that the subjective norm is most effective when “...the social actor has the ability to reward the behavior or punish nonbehavior.”, a situation common within hierarchical company structures. Further to the subject, a

positive social pressure constitutes a key factor in the adoption of social media tools. TAM2 is presented in Figure 6 below.

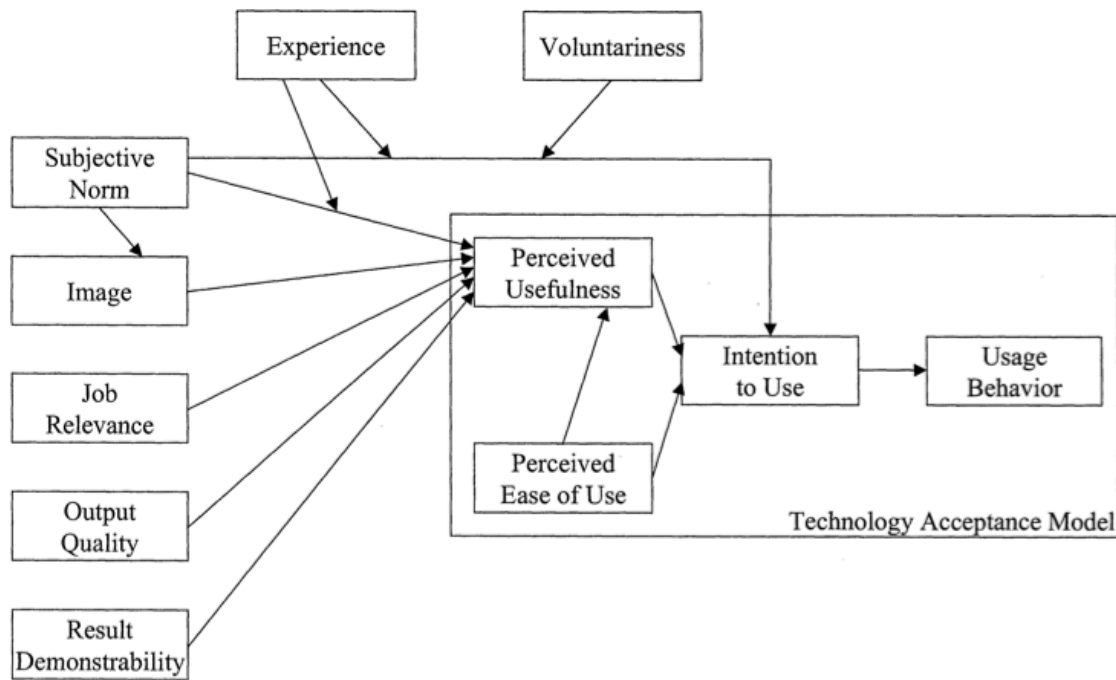


Figure 6: TAM2 (Venkatesh & Davis, 2003)

Figure 6 shows that the perceived usefulness of a technology or tool is a sum of a variety of factors. Many of these factors are appropriate for the context of this study. For example, job relevance is seen as “an individual's perception regarding the degree to which the target system is applicable to his or her job” (Venkatesh & Davis, 2003, p. 191). Social media is more a development in social than an innovative technology, but it is heavily based on technological advances as well. Thus this model can with some caveats be used as a way for approaching social media tools as well. The different reasons influencing the adoption of innovative tools are relevant for this study and although the TAM2 will not be directly applied to the data analysis, its implications are taken into consideration.

#### **2.4.2 Generational considerations for social media acceptance**

Since the Second World War the population has been classified and divided into a number of generations with varying names. According to the United States Census Bureau (USCB, 2012) the Baby Boomers refer to people who were born between the years 1946 and 1964, during the post-World War II baby boom. During those years, birth rates rose significantly in a number of countries around the world.

The cultural identity of Baby Boomers has been studied widely (e.g. Howe & Strauss, 1991) They were, for example, the first generation to grow up with television sets. Additionally, the economical impact has been of significant interest to academics. Since the oldest members of the generation turned 65 in 2011, the impending wave of retirements and its effects on national economies have been discussed widely in both academia and media in recent years.

Generation X, or Gen X (Ulrich & Harris, 2003) enjoys a more diverse set of interpretations, especially concerning the starting year. Generally it is seen to have begun in the early sixties. Since the Baby Boomer generation ended in 1964, it is appropriate to use the year 1965 as the starting year for Generation X. The end year is considered to be around 1981 (e.g. McClendon, 2000, p. 2; McKeown, 2002, p. 15).

Generation Y (Gen Y), or Millennials, have been studied as a new generation of workers by e.g. Eisner (2005). Generation Y begins where Generation X end, so they consist of people born in or after 1982. In effect the youngest subjects in the context of organizational communication are likely to be born no later than 1994, which can then be used as the hypothetical end year for Gen Y. This generation is often perceived to be more inclined to accept new technology than their predecessors (e.g. McAfee, 2009, p. 166; Junco & Mastrodicasa, 2007).

For the purposes of this thesis, employees are thus divided into three distinct and discrete generations. The division is clarified in Table 8.

Table 8: Generational division of employees

<b>Generation</b>	<b>Start year</b>	<b>End year</b>	<b>Age range</b>
Baby Boomers	-	1963	49+ years
Generation X	1964	1981	31–48 years
Generation Y	1982	-	18–30 years

As Table 8 shows, there is a theoretically viable way of dividing employees to generations, and to analyze these groups with respect to their attitudes towards different aspects of strategy communication and implementation. In this study the end year for Baby Boomer generation is moved to 1963 and consequently Generation X starts already from 1964. There is naturally a slight overlap around the edges of these generations, stemming from the fact that a person’s age can be inquired on a birth-year basis or present-age basis, which may give varying results. The relevance of this division will be revisited in section 3.2, when methodology is discussed.

To summarize section 2.4, a number of reasons can be presented to account for a certain level of adoption for social media tools. Technology acceptance of a more general nature can be cited (Davis, 1985; Venkatesh & Davis, 2003), as can the varying propensities of different age groups for using technology (e.g. Junco & Mastrodicasa, 2007). These factors are relevant in the perspective of using social media as a strategy communication tool, since the varying user levels would in this case lead to varying levels of effectiveness in strategy communication. These considerations will be applied to the analysis of data and reflected upon particularly in Section 4.4.

## **2.5 Analytical framework**

Based on the literature review there is a clear avenue for studying internal strategy communication from a variety of viewpoints and in different contexts. This study will focus on the two opposing—and possibly conflicting—perceptions in the case company’s strategy communication process: managerial perception and employee perception. The analytical framework for this study is presented below in Figure 7.

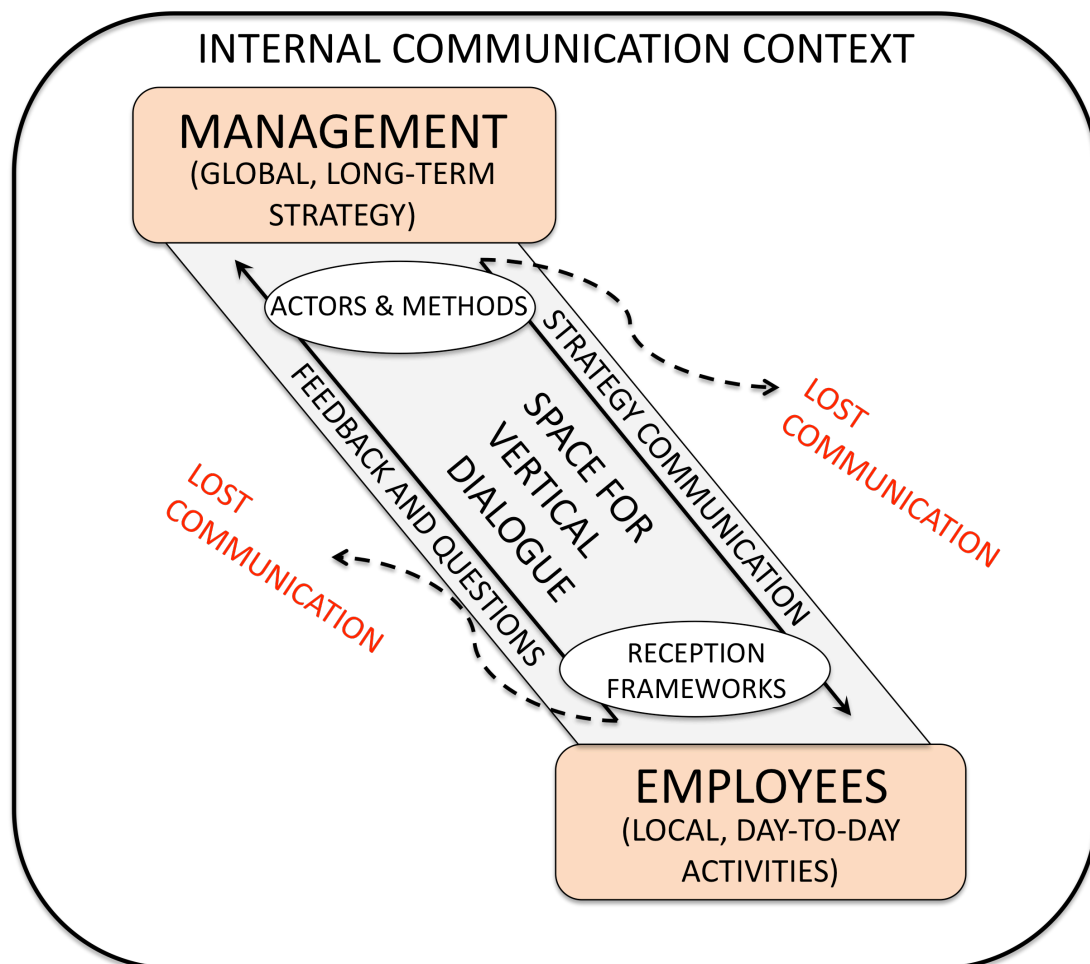


Figure 7: Analytical framework for internal strategy communication

The model presented in Figure 7 puts strategy messages into an internal communication context (e.g. Cornelissen, 2011), and emphasizes the various factors in the communication process. On one hand it highlights the management, who are the sending end of the strategy messages, and who create the strategy (e.g. Mintzberg,

1978; Kamensky, 2000; Aaltonen & Ikävalko, 2002). Their focus is global and long-term. On the other hand, occupying the other end of the strategy communication scale are employees. They tend to focus on local, day-to-day activities and may have other goals in addition to strategic ones (e.g. Mustonen, 2009a; Tourish, 2005).

The methods—such as different communication events, various channels and communication tools—and actors—principal strategy communicators—are the vessels with which strategy messages are conveyed. Similarly, the downward communication has to penetrate the various reception frameworks (Mustonen, 2009a), which form the focus of the employee side of the spectrum.

When both downward communication and upward communication (Tourish, 2005; Tourish & Tourish, 2010)—for example in the form of feedback and clarifying questions—are present, a space for vertical dialogue between superiors and subordinates is opened. However, in both upward and downward communication there is a chance that the messages get lost in the organizational layers or otherwise fail to reach their intended recipients. This can be for example because of a failure in upward communication (Tourish, 2005; Tourish & Tourish, 2010) or because a strategy agent fails to convey the message further (Aaltonen & Ikävalko, 2002; Balogun & Johnson, 2006; Mustonen, 2009a).

All sides of the model are taken into account in the scope of this thesis. First, managerial perception is clarified through interviews with the case company's top management. They shed light on the strategy creation process and the actors and methods of strategy communication. The sender's intentions and dialogue are explored through a content analysis of the interviewees' answers. They also offer positions on the use of dialogue in strategy communication and the factors affecting it.

Second, employee perception, upward communication and strategy communication reception are illuminated through the use of a survey, where the employees' views on

the effectiveness of strategy communication are the object of assessment. Their perceptions on dialogue and the actors and methods of strategy communication are also brought forward. Lastly, the views of the respondents are reflected against various independent variables, such as their generation, organizational position, geographical location, and usage habits of social media. The following chapter elaborates on the methods used to acquire data for the support of this model.

### **3. METHODS AND DATA**

This chapter gives a description of the data gathering and analysis methods, and provides theoretical justification for those choices. Section 3.1 gives background information on the qualitative semi-structured interviews, and the types of themes observed and questions asked. Section 3.2 describes the creation and implementation process of the employee surveys and explains and justifies the choice of questions. Finally Section 3.3 assesses the trustworthiness of this thesis.

This study is conducted as a case study, which includes both qualitative and quantitative data as source material. A case study is an “empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context” (Yin, 2009, p. 18). In recent years case studies have become increasingly widespread and popular approaches for conducting research (Eisenhardt, 1989) and they are some of the most impactful research methodologies particularly in the field of management research (Gibbert & Ruigrok, 2010). As Yin (2009) points out, case studies answer “how” and “why” questions and clarify “how do” problems that help explain various phenomena. Their main objective is to obtain hypotheses, which subsequent studies can then examine more deeply, and to rectify old theories (e.g. Malhotra & Birks, 2007; Cooper & Schindler, 2008). Thus, a case study approach presents an appropriate tool for analyzing the use of social media in a strategy communication context.

Qualitative research is an approach that emphasizes the use of words rather than statistical inputs in the assembly and analysis of data (Bryman & Bell, 2003). Qualitative research puts weight on the generation of theories through the process of induction, emphasizing the different ways individuals construe the social world, and sees reality as incessantly morphing as a direct result of the particular individual’s thought creation process (Bryman & Bell, 2003). In addition, in qualitative research the aim is not solely to comprehend a situation as the participants construct it but also to



discern patterns that emerge after the data has been analyzed (Maykut & Morehouse, 1994).

Quantitative research on the other hand uses numerical data as the source of analysis. According to Kuhn (1961, p. 180): “When measurement departs from theory, it is likely to yield mere numbers, and their very neutrality makes them particularly sterile as a source of remedial suggestions. But numbers register the departure from theory with an authority and finesse that no qualitative technique can duplicate, and that departure is often enough to start a search.” This means that the purity of numerical data is significantly less dependent on the interpretation of the researcher. When correlations are located, they can be further analyzed also with qualitative methods.

According to Eisenhardt (1989, p. 538) “quantitative evidence can indicate relationships which may not be salient to the researcher. It also can keep researchers from being carried away by vivid, but false, impressions in qualitative data, and it can bolster findings when it corroborates those findings from qualitative evidence”. In this respect a combination of qualitative and quantitative data allows for inspired inductive reasoning held in check by deductive quantitative analysis. The approaches thus complement one another.

Contesting the supposed unambiguity of the produced data is the notion that, for instance, forced-choice questionnaires fail to allow for original and extraordinary ideas to be revealed (Johnson & Harris, 2002). Furthermore, Hearn, Foth and Gray (2009) claimed that academic literature fails to keep up with the technological change. They also posit that the applications of Web 2.0 tools in a corporate context have not been subjected to many scrupulous studies. This would suggest that there is still demand for open-ended qualitative research, which would contribute in developing more structure to the presently loosely linked collection of concepts.

### 3.1 Semi-structured interviews

In this section, detailed background information is given about the three interviews conducted during this research, as well as the fourth background interview. Each interviewee's individual relevance to the research subject is explicated and justified in section 3.1.1, and the circumstances and details of each interview are clarified and justified in subsection 3.1.2.

#### 3.1.1 Interviewees

In the course of this study three main interviews and one background interview were conducted. Table 6 below presents the interviewees and their pseudonyms for this study, and states the time and length of each interview.

Table 6: Semi-structured interviews

Inter-viewee	Position	Pseudonym	Length of interview	Time of interview
1	President and CEO, KONE Corporation	CEO	35'25"	March 22 <sup>nd</sup> , 2012
2	Executive Vice President, Corporate Communications, KONE Corporation	CCO	1.18'27"	March 6 <sup>th</sup> , 2012
3	Director, Strategy Development, KONE Corporation	DSD	34'10"	March 23 <sup>rd</sup> , 2012,
(4)	Partner, Netprofile	PN	55'23"	November 29 <sup>th</sup> , 2011

As Table 6 shows, three of the interviewees worked for the case company. The first interviewee was the President and CEO (henceforth CEO) of the case company. Since the topic of this thesis deals with strategy creation, strategy implementation, and strategy communication, it is easy to justify that the CEO's opinion is highly relevant and crucially important, since he is at the head of strategy creation at the case company. Furthermore, he has a particularly central and major role in the strategy implementation

and communication process, being one of the figureheads for internal strategy messages.

The second interviewee holds the post of Executive Vice President, Corporate Communications (henceforth CCO) in the case company. She is responsible for coordinating all communication efforts—both internal and external—within the case company, including strategy communication. The corporate communications function is also responsible for generating and distributing the material that is used as aids and tools in various strategy communication events. Thus her opinions and perceptions about the past, present and future states of different communication functions and how they connect to strategy communication and implementation were integral for the purposes of this thesis.

The third interviewee from the case company is Director, Strategy Development (henceforth DSD). He holds a unique post in the case company. He partakes in the strategy creation and reformulation process, preparing different discussion topics for the Executive Board's monthly strategy panels. He also acts as an intermediary between the Executive Board and the country organizations, assessing the contents of the strategy and forming "strategy packages" for different geographical and functional units. His post in the locus of strategy communication and implementation process, and being situated between top management and local units makes him a salient interview subject for the purposes of this thesis.

The fourth interviewee is a Partner in a Finnish Public Relations consultancy, Netprofile (henceforth PN). The fourth interview was not planned or implemented directly in parallel with the focus of this study. Therefore it is henceforth called "background interview". The interviewee is an expert who has years of experience in the use of social media in an enterprise setting and for business purposes, and was thus considered a useful source of information considering the use of social media for internal communication and internal strategy communication.

### **3.1.2 Structure and details of interviews**

The interviews were conducted in a semi-structured fashion. Semi-structured interviews are generally organized around a limited set of predetermined questions, normally open-ended. They also allow for other questions emerge from the spontaneous dialogue that transpires between the interviewer and the interviewee (DiCicco-Bloom & Crabtree, 2006). The three main interviews with the case company management shared a common selection of main themes, each with a set of questions. Below is a list of the themes with example questions from each theme:

#### **1. Strategy creation**

- How is the strategy creation process at KONE? How have you seen it evolve?

#### **2. Strategy communication and dialogue**

- What is the role of communication in strategy implementation?
- What kind of dialogue is there in KONE's strategy communication?

#### **3. Channels / Social Media**

- What do you think are the most important channels for strategy communication today? Have they changed during your tenure? Do you see similar changes in the future?
- How do you perceive the role of social media in KONE's internal and strategy communication today? What about in the future?

The list of individual questions and the amount of elaboration varied slightly based on the interviewee's field of work and their previous answers. For example, the CEO divulged more details about the strategy creation process and the CCO elaborated more on the different communication efforts. Each theme contained several questions, and at

appropriate times elaboration was requested, or a relevant elaborating question outside the list was asked.

The three main interviews were all conducted in Finnish, as it is the native tongue of all three interviewees and thus enabled a more detailed use of language for describing phenomena. The interviews were recorded and subsequently transcribed word-for-word from Finnish to English. In the interest of readability and brevity, stutters and filler words were omitted. The combined length of the transcriptions was approximately 17,000 words and 35 sheets. When appropriate, the interviewees are quoted. The quotes were translated into English by the author. Although the complete transcriptions are not included in this thesis, all used quotes are listed in Appendix 1 in their original Finnish form, before being translated.

The background interview was conducted in English because a second interviewer, who was also present, did not understand Finnish, and because the interviewee was fluent in English. This interview was also transcribed in its entirety. The scope of the background interview also differed somewhat from the three main interviews. In this interview, the discussion was arranged around four open-ended questions:

1. What kind of social media tools are in use today in companies' internal communication?
2. Which channels are in use for which functions, goals and messages?
3. What kind of development do you foresee in the use of social media in internal corporate communication?
4. What kind of best practices and cautionary examples of the use of social media in internal communication have you come across?

The NP received the interview questions beforehand via email and prepared answers for them. Consequently she also spoke prolifically around these subjects and elaborated on each question in vivid detail.

### **3.2 Employee survey**

In addition to the semi-structured interviews, an online survey was conducted for the employees of the case company. The survey was done online because it is considered an effective method to reach a number of respondents who might consider other, more traditional contact attempts to be a burden (Cook, Heath & Thompson, 2000). Internet surveys also feature instantaneous distribution and a high response speed. These are crucial factors in acquiring a higher response rate (Illieva, Baron & Healey, 2002). Internet surveys have been demonstrated especially effective with respondents who have a near-universal access to the Internet (Couper, 2001). Furthermore, a higher response rate—coupled with a heterogeneous respondent base—contributes favorably to the survey’s validity and credibility.

The survey form with complete questions and results can be found in Appendix 3. It was construed based on the research problem and research questions (particularly research questions 2, 3 and 4), and it was divided into three sections:

1. You as a media user (2 questions)
2. You as a KONE employee (4 statements, 5 questions)
3. Background information (5 questions)

The first section consisted two questions. It mapped the respondents’ habits as media users, and how frequently they were also contributors to media. Both “traditional” media, such as TV and newspapers, and five categories of social media tools (see Subsection 2.3.4) were included in the questions so as not to set the respondent’s mind fixed too heavily on the subject of social media. The aim of this section was to map the respondent as a social media user.

The second section contained four statements and five questions. The statements concerned the case company’s strategy communication, the respondent’s understanding

of strategic initiatives and their view on the importance of actors in strategy communication. Two of the questions inquired about the respondent's use of the case company's internal online media. In addition three open questions, of which one was compulsory, inquired about the respondents' perceptions on the type and quality of strategy communication they experienced, and requested personal experiences of good or bad strategy communication and dialogue. Lastly feedback about strategy communication was requested. The aim of this section was to gauge the respondents' perceptions of the case company's strategy communication and to bring up enlightening examples of strategy communication through personal experiences.

The third section served to produce independent background variables. For example, the respondents' age was inquired. The different age groups were divided to correspond with the three main generations (see Subsection 2.4.2 for more details). This meant that if the respondent belonged to either of the two lowest age groups ("24 or younger" or "25-30") he/she was classified as a representative of Generation Y. Similarly, if he/she chose one of the three following groups ("31-36", "37-42" or "43-48") he/she represented Generation X. The two final age groups ("49-54" and "55 or older") were representative of the Baby Boomers. Other background variables were also determined. For example, the respondent was requested to state his/her gender, organizational level, length of employment and primary work location. The aim of this section was to create groups by background variable, which could then be used to cluster the respondents and compare these groups' answers to questions in the two previous sections.

The survey was open to all case company employees around the world, regardless of unit, country, organization or position. This openness was inspired by four distinct motives.

- 1) An open and wide survey maximized the number of replies, thus giving more credibility and validity to the quantitative results obtained.

- 2) A heterogeneous respondent base serves to minimize—and, where appropriate, underline—the recipients’ cultural bias.
- 3) Since the thesis was done in the discipline of International Business Communication, a clear international and intercultural aspect ties the research more firmly to the field of study.
- 4) The managerial interviews highlighted cultural differences in the reception of strategy communication. Thus, for the purposes of this thesis, as wide a variety of respondents from different cultural backgrounds, different age groups and different positions was likely to yield more applicable data.

The survey was published on April 10<sup>th</sup>, 2012 using the Webropol survey platform. The link to the survey was distributed via two channels. First, a personal email invitation was sent to all personnel stationed in Finland. The number of recipients was 1,938 and the cover message for this invitation can be found in Appendix 2. Secondly, the survey was published as a news item on the case company’s global intranet front page on April 10<sup>th</sup>. The survey closed on April 20<sup>th</sup>, 2012. The theoretical maximum number of respondents was 37,000 (i.e. all employees), but in practice the maximum number of potential respondents was approximately 15,000, which is the number of Intranet users (see Table 3 on page 15). Some key figures about the survey respondents can be found below in Table 10.

Table 10: Key figures of respondents to employee survey

Number of respondents	413
Response rate (Global)	413 / 15,000 = 2.8 %
Response rate (Finland)	314 / 1,938 = 16.2 %
Numer of males / females	296 / 117
Highest frequency respondent countries (# of respondents)	Finland (314), USA (18), China (11)
Organizational level (# of respondents)	Mode: Expert/specialist (Staff) (191)



Age group (# of respondents)	Mode: 31-36 years (95)
Length of employment (#of respondents)	Mode: 3-6 years (95)

As Table 10 clarifies, the respondent base was heavily weighed towards Finnish employees. This is largely explained by the use of a personal email message, which invited the recipient to participate in the survey, but also because Finland is home to nearly all of the global support functions (such as communications and HR), the members of which are more likely to respond to the survey. A report of the complete survey results can be found in Appendix 3, except for the 24 pages of open answers, which were omitted for the sake of brevity.

When relevant, quotations from the survey's open questions will be cited in Chapter 4. The goal is to elucidate an issue or trend that has earlier implied by the quantitative data. In these cases the respondent's demographic information, as revealed by the survey, is disclosed after the quotation.

With regards to quantitative data, the initial plan was to conduct a statistical analysis of several background variables' correlation coefficients against perceptions of strategy communication by use of Microsoft Excel. This analysis was to be done entirely by the author. However, as this study was commissioned by Accenture, the author was offered the use of Accenture's Global Talent and Innovation Network (GTIN) and their data analysis team's resources. The offer came late in the writing process, and was accepted. It would have been counterproductive to leave the resource untapped, as it would have meant a less profound statistical analysis for the commissioner. Furthermore, it would have been a waste of data to only include the GTIN-analyzed data in the report returned to the commissioner company. All correlation coefficients and clusterings done by GTIN will be cited explicitly as (GTIN).

Interpreting correlation coefficients is a subject that is debated by academics. Furthermore, no causalities can be inferred from the basis of correlation coefficients as they are, but rather the figures demonstrate (or fail to demonstrate) a connection between two phenomena. If causalities are suggested, they are individually justified and backed up by other reasoning. In this study, the interpretation will be based on Choudhury's (2009) correlation strength classification system, presented in Table 11.

Table 11: Classification of correlation strengths (Choudhury, 2009)

Value of  r	Strength of relationship
1.0 to 0.5	Strong
0.3 to 0.5	Moderate
0.1 to 0.3	Weak
< 0.1	None or very weak

As Table 11 shows, both negative and positive correlations are interpreted in a similar fashion. This is naturally only one of a number of interpretation criteria, but it is adequate for the purposes of this study.

### 3.3 Trustworthiness of the study

This section evaluates the trustworthiness of this study. Factors affecting trustworthiness are approached individually and their potential effects on the study are analyzed.

As stated earlier, the research was conducted as a case study with both qualitative and quantitative methods used for gathering and analyzing data. Since it is a case study, the results apply only in the context of the case company, as there are a number of characteristics in the research that are intrinsic to the case company. Implications are therefore based partially on existing research besides primary analyzed data. In spite of

the limitations, parts of the results may be applicable as indicators of trends in a larger context.

According to Hirsjärvi and Hurme (2003) three main components cause limitations to the applicability of an interview. First, the interviewer's prior experience determines how well the interview is conducted and how appropriately elaborative questions are asked. The limited experience of the author of this thesis indicates a possibility that a degree of potential for acquiring information was left unrealized during the interview process. Second, the interview situation contains inherent potential for error, both from the interviewer's side and the interviewee's side. One such risk is the predisposition of interviewees to give socially acceptable answers on the cost of candor. Third, the interpretation of the interview material is subject to the interviewer's perceptions and experience. Once again, the author's limited experience may have caused incomplete or otherwise skewed results.

On the other hand, the author's long-term employment and personal interest in the case company has given a wealth of tacit insight that another researcher might lack. This would contribute to the validity of the interpreted results. However, it must be noted that similarly an intimate proximity to the phenomena studied can also cause a skewed mindset and reduce the objectivity of the findings. Naturally measures were taken to attempt to mitigate this risk, for example through obtaining a number of second opinions about the interview questions and survey structure.

As mentioned in Section 3.1, the interviews were recorded and transcribed by the author. Few notes were thus taken during the interviews, since this would have distracted the interviewer from preparing for unexpected follow-up questions. The transcriptions were not shown to the interviewees prior to publishing, with the exception of the CEO, who requested to see the quotations that would be used from his interview. This resulted in a few minor changes in wordings, but the content of the quotations was not altered.

The number of Finnish personnel who received the cover message was 1,938. The number of Finnish respondents was 314, which is 16.2% of the message recipients. However, the other countries were represented much less, with USA (18 respondents) and China (11 respondents) being the only other countries that generated more than ten responses. Thus these samples are far from representative of the entire population and the results cannot be generalized. They may still give clues about the inclinations of these cultures, and will therefore be brought up in Chapter 4. Furthermore, the respondents all represent KONE employees in a global context, and thus contribute to the validity of the entire study.

Outsourcing a part of the statistical analysis to professional analysts is not seen to detract from the trustworthiness of the study. This is because the GTIN are experts in their field and can be assumed to possess on average greater experience and skill in statistical analysis than the author of this thesis. Thus they are more likely to conduct the analysis rigorously and diligently. Secondly, it can be assumed that the quality control processes in place at Accenture are appropriate for a global consultancy company. This further diminishes the risk of mistakes in the analysis. Thirdly, GTIN is removed from the actual research work outside their analysis assignment. This means they are less affected by its theoretical or practical background, unbiased towards the case company and less likely to have a mindset biased towards any desired results than the author.

## **4. FINDINGS**

This chapter will outline and categorize the findings from both the semi-structured interviews and the employee survey. In some cases views of the “management” are described in the text. “Management” consistently signifies the three case company interviewees and their perceptions of the phenomena under discussion. Where relevant, data from both interviews and survey will be contrasted against one another for a more comprehensive and holistic picture.

This chapter is structured roughly according to the four research questions, which were presented earlier in Section 1.1. Consequently, Section 4.1 aims to shed light on the question “How is the strategy process perceived by the management of the case company?” Section 4.2 focuses on the question “How are the actors and methods of strategy communication perceived by the management and employees of the case company?” Section 4.3 attempts to elucidate findings around the question “How is vertical dialogue in strategy communication perceived by the management and employees of the case company?” In section 4.4 the question “How are the case company’s employees’ perceptions of strategy and strategy communication connected with their background and social media use?” is scrutinized. Finally Section 4.5 presents examples of strategy communication reception frameworks (Mustonen, 2009a).

### **4.1 Perceptions of the strategy process**

This section highlights findings that are related to the first research question, “How is the strategy process perceived by the management of the case company?” In this section the primary focus is on the managerial approach to strategy creation, strategy review and strategy reformulation that takes place within the case company.

In general the strategy process was considered effective and appropriate by the management. Nonetheless certain areas of improvement were identified, pertaining to the utilization of local knowledge for global benefit. Some of the key findings indicated by the interviewees are presented below.

In the case company the strategy formulation process was perceived by the management to exhibit a reasonable amount of input from a varied group of people. This is how the President & CEO (CEO) clarified and summarized how the strategy process began to evolve in the beginning of his tenure in 2005:

*"...we chose a very diverse group of 25 key personnel from a variety of positions, and then worked together for a week. We created a perspective of our company's situation, of the competition, and the direction of the market and competition. And this way we saw what was our need for change. After this we defined a sharp, focused strategy that would start steering us in the right direction. And what is essential, we decided the five development programs right away, or, in our terms, 'must-win battles' which bring the strategy alive in practice."* (CEO)

The quotation indicates an awareness of the case company's dependence on its environment. Furthermore, it suggests that the initiation of "must-win battles" (MWB) was a decisive factor in the strategy creation process. The CEO and Director of Strategy Development (DSD) both highlighted the strategy reformulation process, which is done in three-year cycles, as being particularly inclusive of a variety of key employees. The selection of new development programs was a considerably extensive process, as the following quotations show:

*"...when we reselect [new must-win battles] every three years, we gather input from the organization widely."* (CEO)

*"...when approximately in September-October 2010 we had a management meeting, where we invited around a hundred people from around the world, so before that we prepared these possible insights through about 50 interviews. So a part of these who came along, we had an hour's slot with them, during which*

*we went through how they perceive, on a three-year scope, the challenges we have, when the market changes and competition changes, what kind of themes need to be highlighted. That was the first way to get input and the basis for the first proposition we looked at with the EXB [Executive Board] ...” (DSD)*

*”I think that this creation process for the MWBs has been very functional. That people have been engaged in it and listened to, and their comments to these main themes have actually been noted. So the creation phase has been good.” (DSD)*

This indicates an even larger body of employees who are included in the strategy creation process through dialogue. The final decision, however, is still in the hands of the executive board. According to the Executive Vice President, Corporate Communications (CCO) the inclusiveness of the strategy process is positive, but, as the quotation below shows, it presents challenges:

*”What of course makes [strategy creation by a large group of people] challenging is that so many people want to participate and experience participation, and that of course causes a lot of internal lobbying at the point when people have a great passion, when they want to get their own idea through.” (CCO)*

The comment shows that inclusion of people to the strategy process comes with a price. The CCO also mentions case company’s strategy creation process is more independent from outside consultants than many other companies. Her elaboration is shown in the quotation below:

*”At KONE strategy is made internally much more than in an average Finnish company, no matter how international they are. [...] The KONE way is that KONE approaches very much from within, reference frameworks are brought by Matti [Alahuhta, CEO] to a large extent, and, as I’ve said, Matti has a good background for it, both academically and experientially. [...] And what is central is these must-win battles, they work well for us.” (CCO)*

The comment above highlights the role of CEO as a leader for strategy formation. The CEO noted that the strategy, and in particular the vision has to have more than just its intrinsic value; it needs to be communicable as well, as the following quotation shows:

*“...it was important to define a vision for our company. That is, a vision that is easy to communicate to everyone at KONE. That this is the direction where we want to go.” (CEO)*

This would indicate a strategy mindset that is aware of the communication challenges the strategy may create. The CEO also provided justification to why the length of this development program review period is three years, in the following way:

*“...three years is long enough for accomplishing permanent strength, but short enough to be conceivable, and to make every day feel meaningful.” (CEO)*

The development programs are thus re-evaluated for their strategic potential and also whether a strategic level of focus is necessary. The CEO mentions in the quotation below two previous MWBs which were considered to have reached a sufficient momentum and were therefore discontinued in the next review:

*“...in three years we reached such a good momentum that we decided to develop, manage and follow up [certain development programs] with other means, which meant we did not need to reintroduce them in the next period.” (CEO)*

In the implementation phase the case company utilized a group of “strategy facilitators”, who advanced the implementation of strategy in addition to their regular duties in other positions. The CEO described the criteria of people in these positions this way:

*“...it’s a group of energetic people with communication abilities, who make sure that in their operating environment—be it a country or a factory or a product development unit, whatever—the face-to-face communication done by managers does not stop at middle management but goes through.” (CEO)*



The comment shows that there were people in the company with the express responsibility of ensuring that middle managers do not become bottlenecks for strategy communication (The effects of the aforementioned strategy facilitation and particularly the various roles played by middle management in the strategy implementation and strategy communication are analyzed more thoroughly in Sections 4.2 and 4.3 from several viewpoints.) The case company does, however, have five key metrics in place for measuring the success and appropriateness of the chosen strategic initiatives. The CEO described the metrics in the following way:

*"...we have determined five factors, with which we strive to have positive progress every year. When we see positive development in all of them, our company is becoming stronger all the time. And these five are: growth in customer satisfaction, growth in employee satisfaction, faster than market growth, better financial development compared to our competitors and strong progress in the field of sustainable development. These are all the main perspectives. If we strive for this there is no risk that we have done progress somehow in some narrow area and neglected to take care of long-term competitiveness."* (CEO)

According to the CEO, the aforementioned metrics are to some extent applicable also for gauging the effect of individual strategic initiatives. He expressed confidence that the positive progress within, for example, customer satisfaction was the end result of a number of strategic initiatives and subsequent improvements in processes.

The DSD had two main points with respect to improving the strategy process, as explained in the quotation below. First, according to the DSD there should be research into how the solutions from the global level could be implemented in the countries faster. Second, he expressed a wish to receive more input from the lower levels of the organizations in regards to strategic challenges, as shown in the quotation below:

*"...we should think how we could faster and with more visibility get certain accomplishments for the knowledge and use of the countries. And secondly, since this has been quite a center-weighted practice, we should spar with the countries and areas more, that they would ponder around these important*

*themes and what they can do there, instead of aggressively waiting for the global team's directions or solutions to arrive in their email.” (DSD)*

The DSD added that such a reciprocative approach to strategy creation had been piloted in the case company, but not yet implemented more widely. This would indicate that a perfect alignment with global and local perspectives to strategy creation had not been reached yet, and that potential for a more rapid implementation was yet untapped.

To summarize Section 4.1, essentially the case company's management has taken measures to make the strategy creation process inclusive of a wide array of employees. The strategy creation includes a considerably large group of people and is reviewed and revisited consistently. The results of the strategy are also measured to avoid complacency. The inclusiveness of strategy is, however, limited to participants chosen by the top management, which can be considered counterproductive for acquiring truly innovative and outside-the-box ideas, seeing as how the management's choice of participants already reverberates with their lines of thinking. This can be identified as an area of minor potential improvement. Indeed, a more comprehensive inclusiveness of representatives of different market areas could end up benefiting one or more markets

## **4.2 Perceptions of strategy communication actors and methods**

This section attempts to elaborate on the findings around the question “How are the actors and methods of strategy communication perceived by the management and employees of the case company?” The results are drawn from both the semi-structured interviews and the survey responses.

On a general level, active communication by the right actors and using the right methods for communicating strategy messages was considered an important issue from both the managerial and the employee viewpoint. Talks about strategy by persons and

interactive strategy communication tools were the most central, and the role of middle management in particular was underlined. Detailed findings can be found below.

The importance of “talking heads”, as the CCO put it, was apparent in all three interviews as well as the background interview and the survey responses. Situations where a person talked about strategy either in a formal presentation or in an informal discussion were seen as important and effective. Especially the CCO highlighted the importance of a live presentation in the following way:

*“The most important channel here is one where you personally influence. Whenever you have a talking head, that is the most effective channel for strategy communication.” (CCO)*

The CCO stressed that the corporate communications function is responsible for providing the tools and materials to aid in the communication efforts, but that the managers of different levels always have to “play the lead part” in strategy communication, and that the communications function only “sets the scene and provides the script.”

The survey inquired the respondents how important they personally considered a number of persons to strategy communication. The question was a statement, with which the respondents were asked to agree on a scale of 1 (I don’t agree at all) to 5 (I fully agree). The results for different scores by number of respondents are shown below in Figure 8. Cross-referencing to the open answers, it can be deduced that most participants interpreted the question as assessing the desired, ideal importance of the people, rather than the present reality, which in some cases appeared to have fallen short.

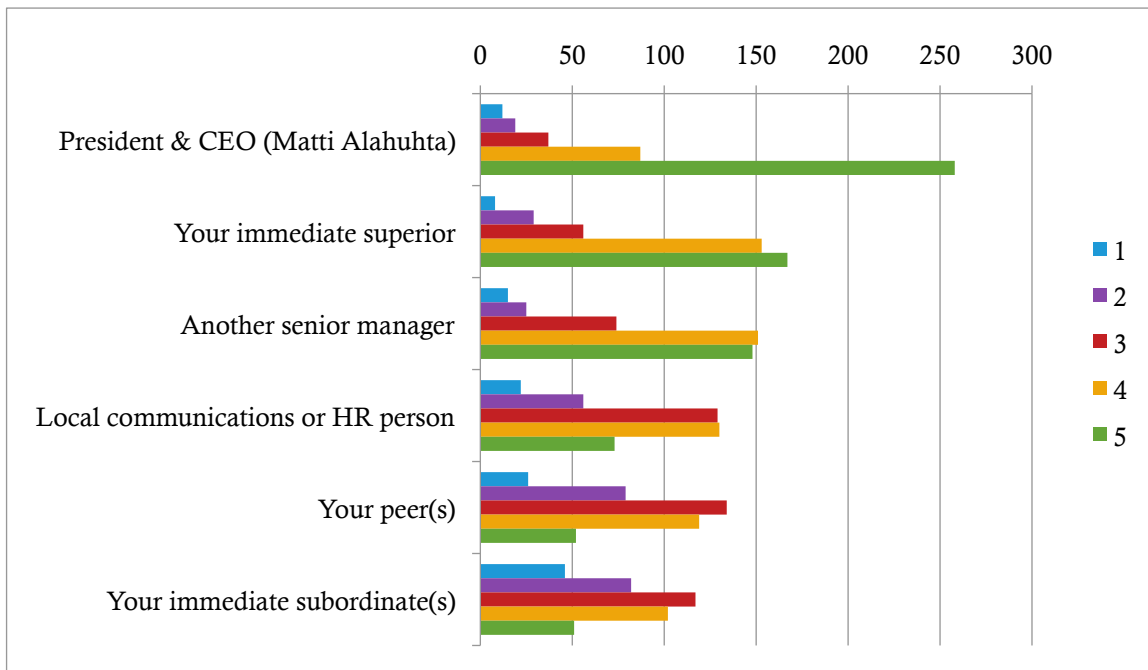


Figure 8: “In my opinion the following people are important for strategy communication.”

Figure 8 shows that the employees clearly considered “President & CEO (Matti Alahuhta)” the most important person in strategy communication of the options presented, followed by “Your immediate superior.” “Another senior manager” comes up third. The top result is reasonably well aligned with the management’s views.

The CCO paralleled the view on the significance of managerial initiative in strategy communication. She further expanded it to other levels of managers as well, citing below a very large body of people who can be held responsible for strategy communication:

*“In principle everyone who is in a managerial position must be able to talk about strategy, all the way down to team leaders. Because we hope, and our guidance is, that strategy must be visible even in development discussions, it is seen even there.” (CCO)*

The survey respondents' views towards the pros and cons of the case company's strategy communication varied greatly, but face-to-face, live meetings or training sessions by the CEO as well as different discussions with other managers were mentioned very often as a positive factor. Tens of respondents brought up the positive effect of live managerial communication, ranging from the CEO and other senior managers to immediate superiors and even peers.

On the management side the time invested by the CEO to these various local events was noted, but they were nonetheless perceived as useful, in line with the aforementioned survey answers, as the CEO illustrates:

*"...of course I personally actively participate and talk in many of our people development programs. And also as I visit different countries, there is often this type of dialogue event."* (CEO)

On the other hand, some respondents felt that their immediate superior was also the biggest hindrance to understanding strategy. In several instances the respondents mentioned that the good communication from higher up was disturbed or undermined by the lack of communication from immediate superiors. The comment below from a Finnish middle manager below illustrates the problem:

*"Presentations given by Alahuhta and our unit manager have had positive impact. The lack of communication from the closest manager has had the most negative impact - his behavior really disturbs all the good impact that other communication had."*

The comment above implies that a middle manager's actions or inactivity can counteract other, positive experiences and even help create a "net negative effect" of strategy communication. Other respondents provided similar examples of a senior manager's participation and dedication being partially undermined by the middle management's lack of interest. The conflict is elucidated by the following quotation from a Finnish middle manager.

*”In KTO [KONE Technical Organization] there was two workshops focusing on the new strategy roll-out. Good point was VP of Technology Finland was fully committed to this roll out and participated personally. Negative side was there was some people in middle-management who didn't care about it. Their daily activities seemed to be more important.”*

This quotation is enlightening because the respondent apparently was not a subordinate of the “some people in middle management”, but had noticed the problem in any case. These quotations indicate that some middle managers perceived strategy as distant or disconnected from actual daily work. The challenge of layer-by-layer strategy communication was obviously recognized by the management, but it seems that the problem has not been solved entirely.

In addition to—and in many cases in conjunction with—verbal, live communication the management highlighted some strategy communication tools in use at the case company. Especially messages coming directly from the CEO were considered effective, as shown by the following quotation:

*“...very frequently I sent these CEO letters, which was—and is—a very effective method to have direct access to every KONE employee who reads emails.”*  
(CEO)

The quotation indicates that the case company’s top management recognized the importance of direct communication across organizational layers as a complement to the “layer-by-layer” communication. The CEO also mentioned in the quotation below that the strategy communication responsibility had lately been expanded to include other members of the senior management:

*“...this similar communication has continued, in the last few years so that I send emails less frequently, but a large number of our key personnel have been included in this similar type of communication. Which means that the change communication has gained breadth.”* (CEO)

In addition to these “CEO letters” the case company also utilized interactive tools, such as strategy workbooks, to help facilitate the understanding of strategy. The DSD brought up perceptions of how interactive workbooks were meant to facilitate this understanding of strategy, and how bringing strategy discussion outside the official settings—into a fireplace discussion—created a more liberating atmosphere. The DSD described the use of workbooks:

*”...when we have a country-level kick-off where the management team is given their direction, they of course have to convey that message further. So with the communications team we created these workbooks, which open on a team level the meanings of all this. So through certain questions it inquires ‘how can you affect customer satisfaction through your daily work?’ So we try to transform these conceptual themes to practical ones, through discussing them around a fireplace, in an everyday environment” (DSD)*

This quotation demonstrates the combination of verbal communication with interactive communication material. Also according to the CCO interactive communication tools are among the most important channels, due to the input they require from the user, as detailed by the quotation below:

*”...anything that engages. Anything where you have the possibility, where you are expected to give some response by writing, talking, conversing, replying, writing by hand or typing. But everything where some sort of input is expected of you. And this is an example of why we need to be able to build channels, which support on the one hand the people who work in offices using laptops, but on the other hand those who don’t use laptops for work at all. So it can’t depend on the channel, whether you have access to a laptop or not. And we must have interactive channels.” (CCO)*

The comment above indicates that the management considers the engaging nature of tools a crucial factor, and that there is a desire to build channels that are less dependent on laptops.

One reason to create a less laptop-dependent message channel is that there is an intrinsic challenge in the case company's strategy communication process, particularly when online tools are concerned. Only approximately one third of the case company's employees are staff who use laptops daily (see Table 3 on page 15), whereas the other two thirds are operatives who don't have a laptop, or even an email address—although the CCO mentioned that the creation of email addresses to operatives has been piloted in some countries. Therefore the operatives are exposed to some of the strategy messages to a lesser extent than the staff. The CCO further pointed out, that the operatives—who most often represent the most direct and repeated customer touch points—are in many ways crucial in strategy implementation. Her perception of the liberty of supervisors to allocate their own time is shown in the following quotation:

*"...For example, if the workers spend an hour or two per month in the office, bringing in their written hour reports [...] we must accept that during that hour and a half the supervisor may have something of a higher priority to tell [...]. And it may be that he really has no time for this kind of strategy communication, if he only meets them for two hours a month, we have to leave it at his discretion how much and in which ways he uses that for strategy communication."* (CCO)

The CEO seconded the perception that the local managers are key in ensuring that the strategy message goes all the way through. He stressed the role of communication in the following way:

*"...Although the market is global in the respect that competitiveness can be developed via global programs, it's very local in terms of implementation. The importance of communication is very essential in our business"* (CEO)

As far as social media tools were concerned, the CCO brought up blogs in particular as a tool that has recently been adopted as a part of strategic communication. She described the challenges of initiating a blog as follows:

*"We have to be sure that the unit or persons who start blogging, that they commit to it. It isn't enough that you write one or two posts, the blogs have to keep coming all the time, and you've got to create interaction, you've got to*



*follow what people comment. And that's why the Customer Experience team was the first to be given this chance to blog, and now integrated access and integrated services have been added, and we've taken people who start blogging, because you have to commit to a certain frequency and interaction afterwards."* (CCO)

In an unrelated comment, the background interviewee (NP) also mentioned blogs as a useful and important social media tool for organizations. She gave an opinion as to why it has not yet taken flight as a medium, and echoed the CCO's perspective that underlined the need for a momentum in the beginning. Her view on the use of blogs in leadership are illustrated by the following quotation:

*"...it's very difficult for the big bosses to actually blog. The problem is that they're afraid that nobody comments. And of course nobody comments. So to get things started you always need to have good friends there, and make sure that you start the discussions. But blogs are for any kind of leadership or any kind of strategic information, you can do it through blogs."* (NP)

Although social media tools were in limited use in the case company, especially in the strategy communication context, there were some views stating that they are a rising trend in the future. The NP was the most vocal proponent of social media tools for communicating strategy, stating that in particular Wikis, blogs and microblogging would become big game-changers of organizational communication in the near future. Of those, she highlighted the strategic potential of blogging.

*"...in blogs it's an integrated platform, and the whole idea of a blog is that it's not official. It's not black tie. It allows you to speak in a normal language and not corporate language, if you produce material on a different platform, either it's legal, legal is always saying 'no no no, you can't give these forward-looking statements.' But you can always comment on a piece of news or share it with a small note."* (NP)

This comment suggests adding meaning to otherwise external and existing information can create added value. The DSD was of the same general opinion that social media tools were on the rise, but had more thoughts about using social media and modern

mobile technology mainly for external communication. The CEO acquiesced that the relevance of social media as a strategy communication tool is ascendant, but only as another tool for strengthening dialogue.

*“...and how we continue from here, it’s obvious that certainly in the future we will use social media in one way or another more actively. But once again so that it does not decrease the other ways to communicate but further activates dialogue.” (CEO)*

The DSD also expressed interest in the idea of using social media tools to acquire more insights from different levels of the organization. His hypothesizing about social media tools is illustrated by the following comment:

*“...social media as a channel internally could be good, there could be a chat room where you have e.g. a competitor group, what have you seen or heard of the competition, what kind of changes in customers. And thus get these ideas from deeper in the field.” (DSD)*

The CCO expressed the concern that social media is still a novel tool and that companies ought to learn to use it before it becomes urgent or critical. Furthermore, she acknowledged that social media is an important tool from the viewpoint of a number of the case company’s interest groups. Her view is stated in the comment below:

*“Twitter is a channel which, so to say, is better to incorporate and learn to use when the times are good, so you won’t be in a situation where you, in the middle of a crisis, try to manage the crisis communication and introduce a channel which you haven’t been managing so far. And for certain groups social media is a way for us to commence communication, because they’re already there. And this is why we should go there via social media.” (CCO)*

To summarize, there are several actors and methods of strategy communication in use that are well received. The CEO’s input is seen as valuable and beneficial for understanding strategy. This positive perception is however overshadowed by the other important strategy communicator: the middle manager. Their dedication to strategy

communication was deemed important but in reality they sometimes were perceived to suffer from a lack of communicative skills, or missing an affinity to convey strategy further down the organization.

Of the effectiveness of actors and methods no particular question was asked in the survey. However, the respondents were asked about their experiences with strategy communication and those who perceived the strategy communication to be effective often highlighted the various strategy communication sessions, as well as the case company's strategy poster (illustrated in Figure 1 on page 13). The management highlighted tools that engage and require interaction.

Social media was considered an emergent important tool for strategy communication. This was especially because of its characteristics that facilitate informal dialogue, and partly because the target audience is already perceived to be there. It was not yet, however, considered a crucial internal strategy communication tool at present.

### **4.3 Perceptions of dialogue in strategy communication**

This section analyzes the findings that relate to research question 3: "How is vertical dialogue in strategy communication perceived by the management and employees of the case company?" The concept of dialogue was already touched upon in Section 4.2 when methods of strategy communication was discussed, but its role was considered separately from other methods as well.

Generally, dialogue was found to be very important for both the effectiveness of strategy communication and the understanding of strategy. Having space for dialogue with one's immediate superior correlated positively with the respondents' understanding of the five MWBs and how they perceived the strategy communication.

Vertical dialogue, or vertical two-way communication, was both inquired in the survey and elaborated in the interviews. The biggest quantitative item about dialogue was Question 5, which asked the respondents to gauge on a scale from 1 (I don't agree at all) to 5 (I fully agree) how much they agree with the statement: "My closest superior encourages feedback and questions about how KONE's strategy affects my work." The answers to that question are shown in figure 9 below.

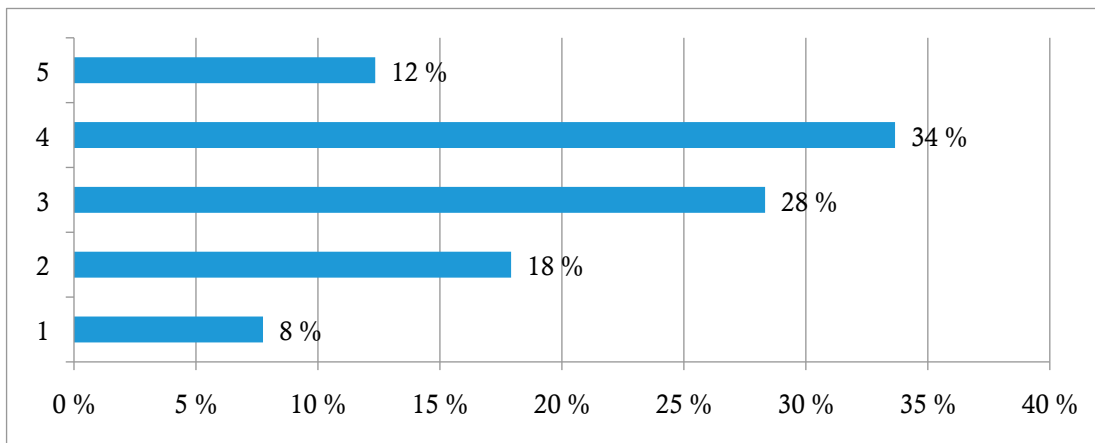


Figure 9: "My closest superior encourages feedback and questions about how KONE's strategy affects my work." (GTIN)

As Figure 9 shows, nearly half of the respondents agree with the statement to a large extent. The number of respondents ranking the statement 4 or 5 is 190, or 46% of the respondents. Conversely the number of respondents in the negative end (2 or 1) is 106, or 26% of the respondents. This means that a majority of respondents experience having the possibility to engage in dialogue with their immediate superior. As Figure 8 on page 69 shows, the immediate superior was considered the second most important person in strategy communication.

The correlation of dialogue, the understanding of strategy and perceptions of strategy communication can be analyzed by calculating the correlation coefficients between how the respondents gauged their agreement with three statements in the survey.

3. “KONE’s overall strategy communication is effective.”
4. “I understand the effect that KONE’s must-win battles have on my work.”
  - A) Customer Experience
  - B) Employee Engagement
  - C) Innovative Solutions for People Flow
  - D) Service Leadership
  - E) Delivery Chain Excellence
5. "My closest superior encourages feedback and questions about how KONE's strategy affects my work."

The correlation coefficients can be seen below in Table 12.

Table 12: Correlation coefficients between questions 3, 4 and 5 (adapted from GTIN)

Questions being compared		Correlation coefficient (r)
Q3	Q4 – A	0.39
	Q4 – B	0.47
	Q4 – C	0.38
	Q4 – D	0.37
	Q4 – E	0.32
Q3	Q5	0.38
Q5	Q4 – A	0.26
	Q4 – B	0.33
	Q4 – C	0.33
	Q4 – D	0.39
	Q4 – E	0.24

As Table 12 shows, there is a moderate positive correlation between Question 3 against Question 4 and Question 5, since all correlation coefficient values lie between 0.3 and 0.5. This indicates that a vertical dialogue between immediate superior and subordinate correlates with the subordinate's better understanding of the strategic initiatives. The correlation is stronger for example among those who answered 4 or 5 to Question 5, or, in other words, perceived their immediate superior as encouraging dialogue. Figure 10 below shows these respondents' view on the effectiveness of strategy communication.

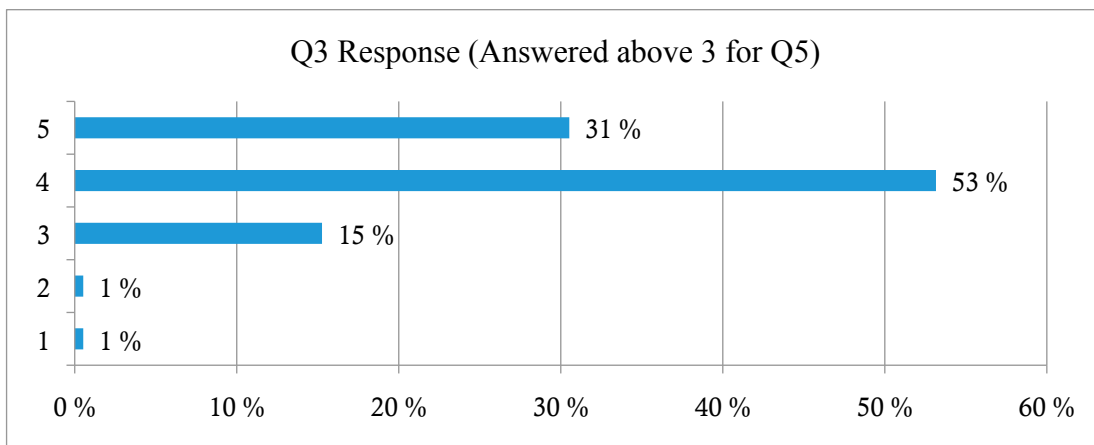


Figure 10: Positive connection between dialogue and perception of effectiveness of strategy communication (GTIN)

Figure 10 further testifies to the positive correlation between dialogue and effectiveness of strategy communication, since those who perceived dialogue, scored the effectiveness of strategy communication higher as well. Similarly, the management stressed the importance of dialogue as an effective way to make the abstract strategic concepts more concrete, and also as an important contributor to engagement. According to the management, dialogue is also continuously and persistently encouraged in the strategy communication process. The connection between strategy and daily work was brought up by the CEO in the following way:

*“The goal is that everyone at KONE understands the entity of our development programs, our vision, and thus where we strive to go and how. And naturally how she/he can contribute to this. (CEO)*

The comment above shows that through dialogue the management wishes to facilitate the employees’ understanding of how strategic initiatives affect their work. The importance of dialogue and its correlation with effective strategy communication became apparent also conversely. A significant number of those who completely disagreed with understanding the effect of any of the MWBs on their work (Question 4) often stated in Question 9 (“What kind of dialogue have you had about KONE’s strategy within your team or unit?”) that there was no dialogue around strategy and little oral communication around strategy overall.

Cultural differences were seen as a major factor in creating a space for dialogue. The interviewees mentioned that the case company operates in a number of different management cultures and not all of them are equally apt to encourage vertical dialogue. The CCO and DSD brought this up during the interview in the following ways:

*”...It’s up to the local management’s initiative to get the ball rolling there. It might be that in some countries, if the culture isn’t the kind where you have dialogue about direction and so on, it may be a little old-fashioned and difficult to get the message to that last guy.” (DSD)*

*”...It’s very much of Scandinavian and also American origin that people are actively participating in strategy discussions, and that strategy communication is dialogue by default. But there are a lot of countries where discussing strategy is not the norm, because it can even be considered offending if there is dialogue or if the manager is asked questions, it’s as if the authority is questioned. And that is why we have to accept situations in which the local management assesses whether something is an issue of which there is dialogue.” (CCO)*

As the quotations above show, the global top management generally preferred not to impinge upon the local management’s ways of managing and leading their subordinates. In contrast to the concessions and compromises in strategy implementation, the CCO

posited that through corporate communication there was a possibility of affecting and transforming local communication cultures and their stances towards communication, albeit only in minute increments and in a limited context:

*“...these global ways of working, that all companies for the most part encourage interaction and participation [are transforming communication cultures]. And it also encourages even the countries and cultures where it has traditionally not been the norm, that at least in the company context you are encouraged to express yourself.” (CCO)*

To summarize, dialogue in strategy communication was perceived as important from both the management and the employee side. The management encouraged dialogue and largely the employees felt they had a space for dialogue with their superior. There was a moderate correlation between dialogue about strategy communication and understanding of strategy, and conversely a lack of dialogue was seen as a detractor in comprehending strategy. Other factors, such as local culture, also were perceived as affecting the extent to which dialogue was practiced.

#### **4.4 Connections between respondent background, social media use and perceptions of strategy and strategy communication**

This section analyzes factors around research question 4: “How are the case company’s employees’ perceptions of strategy and strategy communication connected with their background and social media use?” This section draws particularly heavily from the survey and especially clustering between background variables and views on strategy communication are conducted. Subsection 4.4.1 focuses on key findings between respondent background and perceptions of strategy communication. Subsection 4.4.2 analyzes the results relating to social media use and how it correlates with perceptions of strategy communication. Finally, external social media use and case company internal social media use are compared.



Generally, the perceptions of strategy were—according to expectations—diversely varied and represented all shades of the spectrum. Some users both highlighted the importance of strategy communication and praised it, while others stated that it distracted from actual work and considered it ineffective. Likewise, the methods some respondents perceived as effective were considered ineffectual by others. There were some correlations that could be detected from the survey data, comparing the answers against the respondents’ demographic variables.

#### 4.4.1 Respondent background and perceptions of strategy communication.

As mentioned earlier, the employees are in different communicative positions. On one hand the staff have access to computers, emails and Intranet, but on the other hand operatives mainly on their supervisor for strategy messages. The imbalance is mirrored in the results of the survey. Employees in the group “Technician/Specialist (Operative)”, who, as a rule, have an operative as an immediate superior, reported the lowest score in the statement "KONE’s overall strategy communication is effective". The results for different organizational levels are shown in Figure 11.

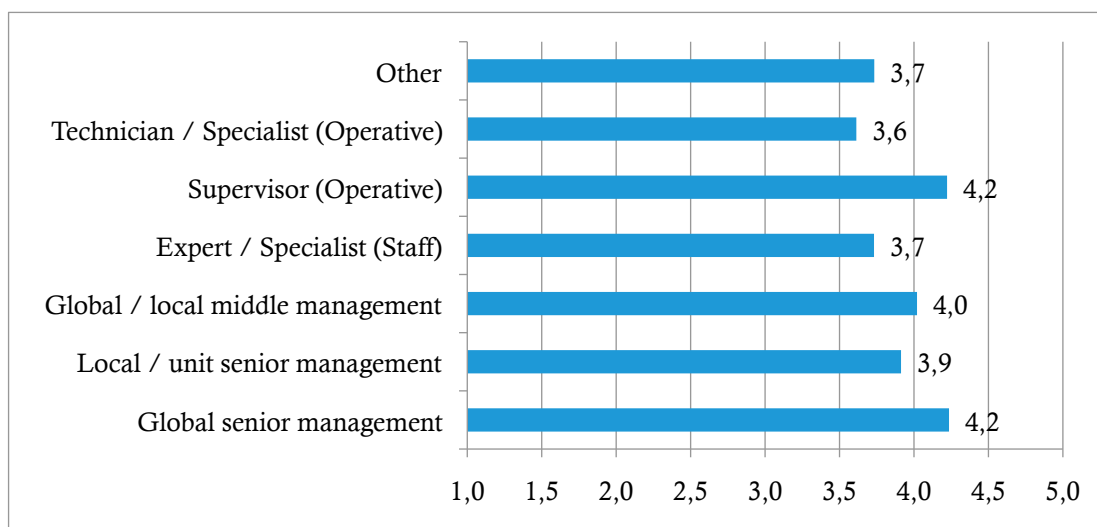


Figure 11: "KONE's overall strategy communication is effective" (GTIN)<sup>1</sup>

As figure 11 shows, the two groups in the “bottom” of the hierarchy ladder, that is, “Expert / Specialist (Staff)” and “Technician / Specialist (Operative)”, reported lowest scores for the perceived effectiveness of strategy communication. The group “Other” may or may not include operatives as well, since this simplified list of organizational positions was not entirely exhaustive. Allowing for the fact that both aforementioned groups were a minority among the recipients, the phenomenon is worth notice.

The low score is all the more interesting because the group “Supervisor (Operative)” — the immediate superiors of “Technician / Specialist” (Operative)—gave virtually as high a score for the effectiveness of overall strategy communication as global senior management did. In other words, a noticeable difference is seen between these two groups of operatives. Furthermore, seeing as how strategy communication both comes from the top and cascades down from level to level, the cascading of communication seems to be somewhat hindered at the lowest organizational levels.

A similar trend is discernible in the answer to Question 4, which inquired how well the respondent understands the effects of KONE's must-win battles on his/her work. Figure 12 below shows the results.

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<sup>1</sup> The decimal commas in these tables should actually be replaced by periods. The international customs in using decimal separators were not breached because of ignorance, but rather because of difficulty in conversion with the use of Microsoft Office, combined with a pressing deadline.

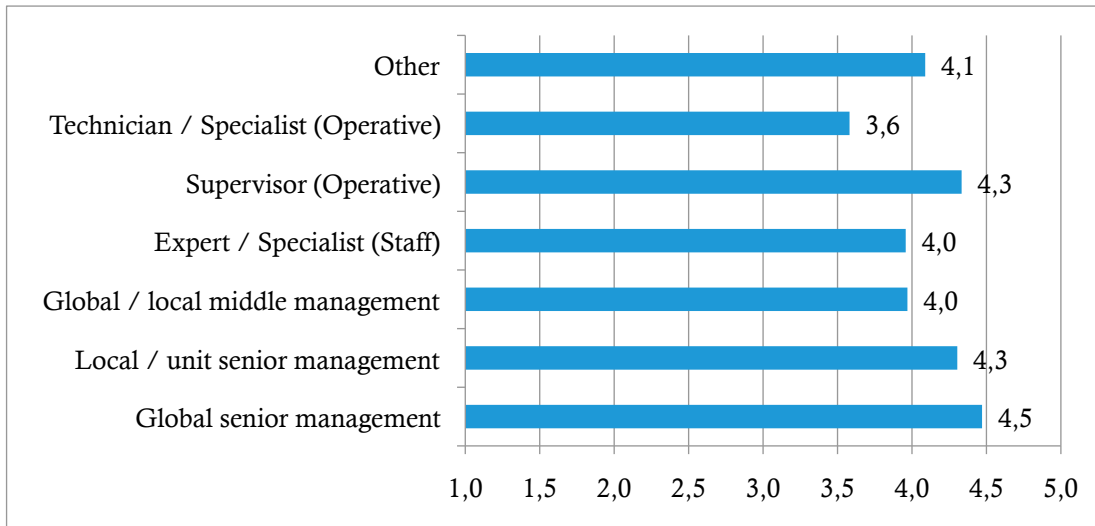


Figure 12: “I understand the effect that KONE’s must-win battles have on my work.” (GTIN)

As Figure 12 clearly shows, there is a similar trend of better understanding of strategy on higher organizational levels. The biggest difference between Figure 12 and Figure 11 was in the Expert/Specialist (Staff) group’s understanding of strategy. Although their average score for the effectiveness of strategy communication was only 3.7, their understanding of strategy was identical to that of middle management, at 4.0. Further, the aforementioned group was the most numerous in the survey, which makes the possibility of skew in the results statistically improbable.

The understanding of the effect of MWBs on the respondent’s own work also differed between respondents’ age and length of employment at the case company. These results are shown in Figure 13 and Figure 14.

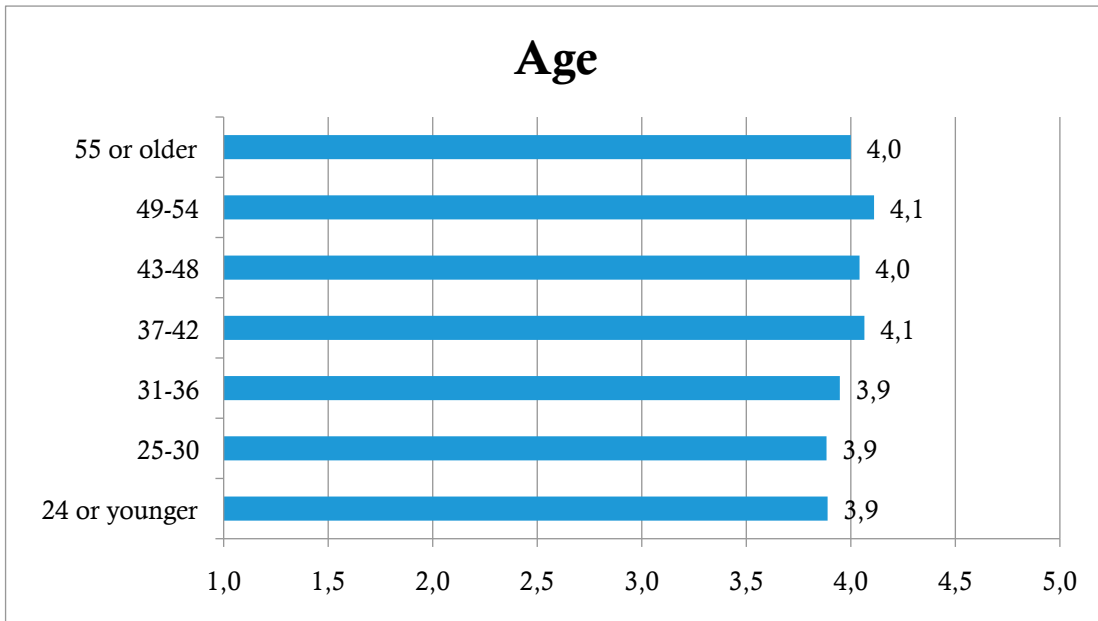


Figure 13: “I understand the effects that KONE’s Must-Win Battles have on my work.”  
(by age)

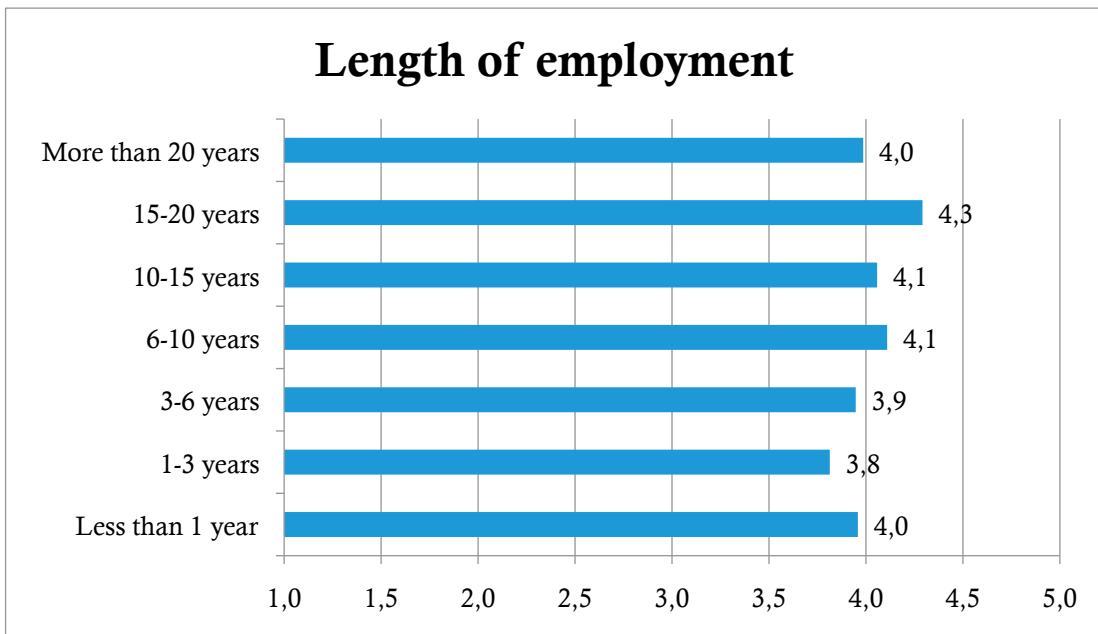


Figure 14: “I understand the effects that KONE’s Must-Win Battles have on my work.”  
(by length of employment)

As Figure 13 and Figure 14 show, there is a weak trend discernible both across respondent age groups and—slightly more noticeably—across grouping by respondents’ length of employment. This is interesting, because although one might deduce that older employees are likely to have been in employment for longer, there is no explicit connection between the two variables. Figure 13 shows that the understanding of the effects of MWBs stays flat for the two youngest age groups (i.e. Generation Y), and starts to rise as the respondent’s age increases. There are two peaks, with age group “49-54” scoring highest.

Similarly, as Figure X shows, the best understanding of strategy comes at 15-20 years of employment, and drops noticeably for those, who have been employed by the case company for more than 20 years.<sup>2</sup> Also, it needs to be noted, that fresh recruits who have been at the case company for less than a year exhibit a good understanding (4.0) of the effects of strategic initiatives, but the score is somewhat lower (3.8) for the respondents who have been at the case company 1-3 years.

#### **4.4.2 Social media use and perceptions of strategy communication**

The use of social media outside the company and the use of the case company’s internal social media were inquired upon in the survey. The questions can be found below. It needs to be noted, that all questions included options which to choose from, but the correlation coefficient was calculated using an average of all answers. In questions 1 and 2 the average was limited to the 5 social media tools, and other media were ignored. The questions and their options can be found in their entirety in Appendix 3.

1. How often do you FOLLOW the following media?
2. How often do you CONTRIBUTE to the following media?

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<sup>2</sup> It is worth noting, that “More than 20 years” represents a much wider variety of tenure lengths than the preceding groups.

7. How often do you FOLLOW KONE’s internal online media?
8. How often do you CONTRIBUTE to KONE’s internal online media?

The correlations between questions 1, 2, 7 and 8 can be seen in Table 13 below.

Table 13: Correlation between use of external social media and internal online media (GTIN)

Questions being compared		Correlation coefficient
Q1	Q2	0.66
Q1	Q7	0.16
Q2	Q8	0.23
Q7	Q8	0.33

As Table 13 demonstrates, there is a strong correlation between following and contributing to external social media, and a moderate correlation between following and contributing to KONE’s internal online media. There is also a weak correlation between following external social media and following KONE’s internal online media, Furthermore, between contributing to external social media and to internal online media there was a weak correlation discernible.

Similarly to earlier studies (e.g. Tilastokeskus, 2012) and unsurprisingly, the survey found that younger generations were more active in using external social media. There was a discernible difference between Gen Y and Gen X’s use of social media, in both following and contributing. The difference was less dramatic between Gen X and Baby Boomers. Figure 15 below shows the average frequency of following social media, clustered by age groups. Following that, Figure 16 shows the average frequency of contributing to social media, again clustered by age groups. The scale of 1-5 was converted to a numerical scale from the scale of Never → Occasionally → 1-3 times a month → 1-3 times a week → Daily.

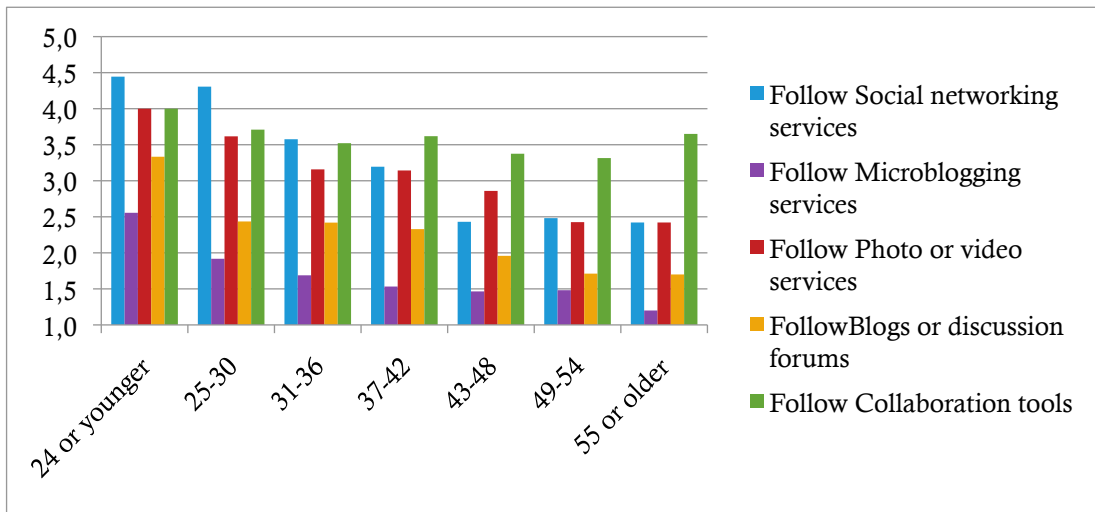


Figure 15: Frequency of different age groups' following of different social media (GTIN)

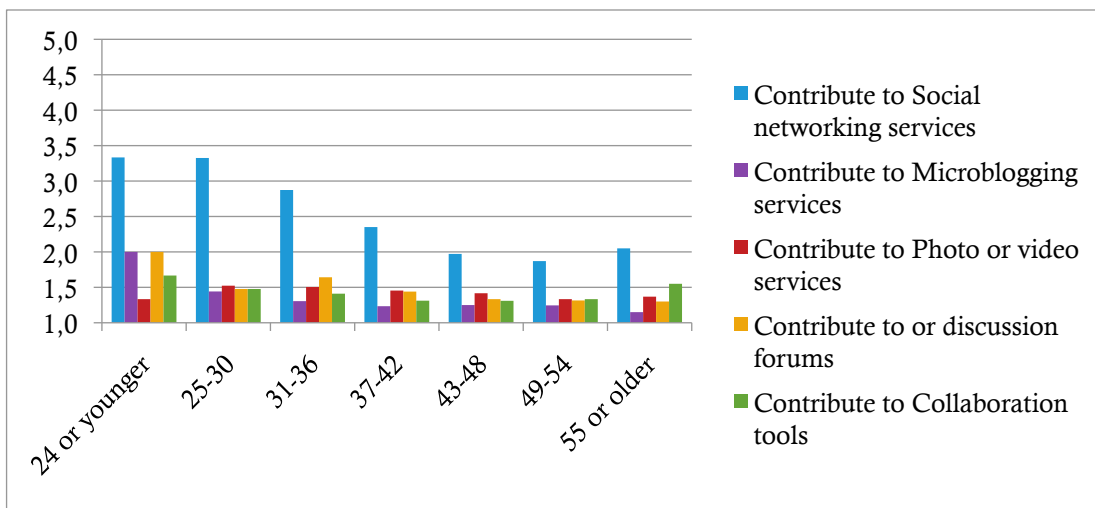


Figure 16: Frequency of different age groups' contribution to different social media (GTIN)

As Figure 15 and Figure 16 show, the two youngest groups, which comprise the members of Generation Y, have a high usage level of social media services, in both following and contribution. Throughout the three following groups, which represent

Generation X, there is a decline in the use of social media services in both following and contributing. Conversely, the following of collaboration tools was reasonably evenly distributed across different age groups.

On the other hand, contribution to microblogging services and discussion forums are clearly higher only in the youngest age group, whereas the other groups exhibit a lower level of use. It is also worth noting, that only social networking tools exhibit anywhere near similar levels for following and contributing. This suggests that they are the least skewed social media tools with respect to follower/contributor ratio. The implication here is that they constitute the most egalitarian medium, and that a small minority does not dictate the contents.

Comparing the frequency of social media use to perceived effectiveness of strategy communication and understanding of strategy did not yield any significant correlation. Thus, social media use by itself implies neither a more favorable perception of the effectiveness of strategy communication, nor a better understanding of the effects of strategy on the respondent's work.

Although the management did not consider social media to be of crucial importance as an internal strategy communication tool at present, they still acknowledged its rising importance as part of the younger employees' communication habits. The CCO noted how the generational differences affect an employee's tendency to comment and contribute without the reservations that could otherwise become inhibitors:

*"...the younger the generation, the more used they are to earnestly—first of all they dare express themselves, they have no fear that 'I'll be sent to Siberia if I express myself.'"* (CCO)

The comment above shows that the tendency of younger people to be more open and active in their communication. The statement somewhat parallels that of the DSD, who expressed the view that especially in the lower organizational levels a generational shift



is slowly taking place, and that the employees' age is a significant contributor to their propensity to use new technology:

*"...new young guys come as technicians, and today's world is very close to them. So I could imagine that in 5-15 years there will be those who are very new media –oriented and know how to use these more modern gadgets..." (DSD)*

To summarize, the understanding of the effects of strategic initiatives and the perceived effectiveness of strategy communication were better in higher organizational levels. A noticeable difference was seen between the two groups of operatives (the employees generally outside the reach of many of the strategy communication tools). The operative supervisors had a better understanding of the effects of strategy and perception of strategy communication than the operative technicians and specialists.

The respondents' age and their length of employment also had an effect on their understanding of the effects of strategic initiatives on their work. The second oldest group of employees as well as the ones with the second longest employment period seemed to understand the effects best, although the differences were not dramatic.

Younger respondents tended to use social media more. A high use of social media externally correlated positively with a high use of the case company's internal online media. The frequency of social media use was not found to correlate with the perception of strategy communication or with the understanding of strategy.

#### **4.5 Strategy communication reception frameworks**

This section returns to the strategy communication reception frameworks introduced by Mustonen (2009a) (for more information see Section 2.2). This section gives examples of the six frameworks in conjunction with Mustonen's (2009a) description of each framework. The frameworks do not belong directly under any of the research questions,

but contain aspects from several (particularly research questions 2 and 3). This merited promoting them to their own section in this chapter.

Examples of all six frameworks were easily discernible in the open answers of the surveys. Through content analysis exemplary representatives of each of the six frameworks could be deduced. The quotes below are not considered findings indicative of a larger trend, but rather examples of the ubiquity of the aforementioned reception frameworks.

The rejecter's framework emphasizes the distance between strategy and the recipient's own work. To a large extent this framework is characterized by the perceived lack of link between the strategy message and daily activities, as well as the aversion to "fancy strategy language". (Mustonen, 2009a) The quotation below is a good example of the rejection of strategy as something with no intrinsic meaning. The recipient clearly differentiates between strategy and "real work".

*"I don't understand KONE strategy. It's way too complicated, made only to sound good in persons speeches. It really can make only a small difference. People should concentrate on real work instead of just making things sound good for no real purpose"*

In the satisfied recipient's framework the recipient focuses on the positive aspects of the message and considers the message advantageous to his actions. The strategic direction is seen as solid and rational. This means that the SRF is viewed generally as a framework that advances the execution of the strategy. (Mustonen, 2009a) The employees quoted below express their satisfaction at how well they comprehend the link between strategy and daily work.

*"I know to which must win battles my projects are connected, what the goals are and how I should allocate my time / prioritize between the projects."*

*"Strategy communication sessions have been very good to help me understand*

*the strategy and its effect to my work.”*

Through the ambassador’s framework the recipient sees her role as a sense-maker of the strategy. This framework is particularly common among middle management employees, who are often bottlenecks of top-down information flows (Mustonen, 2009a; see also Aaltonen & Ikävalko, 2002). Thus the AF causes the recipient to attempt to familiarize herself profoundly with the core of the strategic message (Mustonen, 2009a). The recipient quoted below acknowledged his role as a sense-maker of strategy for a wider audience.

*“I personally opened the KONE strategy for me and my department. This means that each strategy sentence, I clarified, what does this sentence mean to our department and to me. In addition, participating to meetings where the topic is related to strategy and we discuss about it, helps too.”*

The knowledge-seeker’s framework puts emphasis on the recipient’s active role and desire to deeply comprehend the strategy. In the KF the focus is on both the quantity and quality of strategy communication, which are frequently perceived as inadequate or not timely enough for the recipient’s information and communication needs. Nonetheless the KF recipient considers strategy communication as interesting and relevant to his work (Mustonen, 2009a). In the following quotation the recipient expresses a desire for better and more effective strategy communication, and not just for herself.

*“The tools are really good but the managers are not using them which is a pity. We should also effectively and together link all the "sub strategies" into the KONE strategy to make it more easy for all to understand the whole story.”*

The busy person’s framework makes studying strategy materials subject to other, more crucial tasks and the time constraints the recipient experiences through deadlines and other facets of his/her normal daily work. The recipient may say he/she will study the messages if and when he/she has time from other tasks, or if and when a message is

deemed beneficial (Mustonen, 2009a). The following quotation underlines how the strategy messages play second fiddle to more urgent activities, and expresses a degree of frustration.

*“It is very time consuming to find and information in Kone intranet. You can shortly view the news daily but who has time to really spend time or use Yammer when you have a hectic job to do?”*

The critic’s framework stresses a high level of skill and a desire to develop strategy communication further. In the critic’s framework the recipient understands that the audience for the strategy messages is not homogeneous and consequently calls for messages tailored for the different audiences. A uniform approach to strategy communication is viewed as unappreciative of the audience. This perception may then become a primary reason why strategy communication does not reach its recipient (Mustonen, 2009a). The following quotation shows that the recipient has views and opinions about the tools used for the case company’s strategy communication, although he has been with the company for less than a year.

*“Most of the current tools are simple, and somewhat effective, however there needs to be a serious shift in the applications that are used for the flow of communication. The tools that are used within KONE are somewhat antiquated and don't allow for the users to adjust the flow of communications to suit their role and their own personal communication style. There will also need to be time invested to the employees to introduce and train on the use of these newer collaborative methods. E-Mail will remain as the most effective asynchronous communication method across the organisation, however broadcast mails should be minimised.”*

The above quotations are examples of the applicability of Mustonen’s (2009a) framework in interpreting responses to strategy messages, and may present indications of how to enhance the reception and implementation of said messages.

## 5. DISCUSSION

This chapter reflects the findings of the study against the literature reviewed in Chapter 2. The extent to which the various theories were applicable to this study will be assessed. This insight will be achieved in particular through reviewing the analytical framework<sup>3</sup>, after which individual theories' relations to the findings of this study are scrutinized. Figure 7 below revisits the analytical framework.

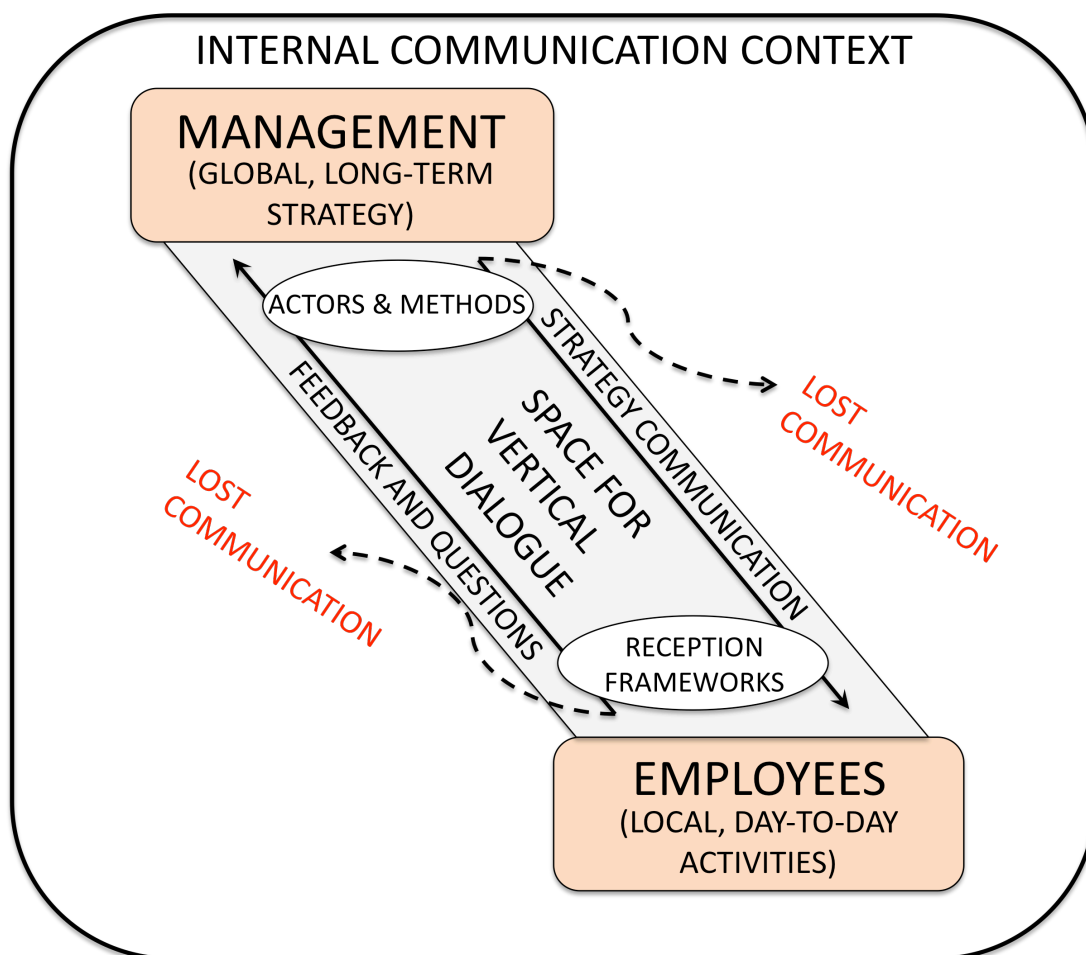


Figure 7: Analytical framework for internal strategy communication

<sup>3</sup> The framework was introduced on page 45, and was copied here for the sake of readability

Generally speaking, the framework fit the findings adequately. The actors and methods of strategy communication were found to be crucial factors in creating a space for upward communication (Tourish, 2005, Tourish & Tourish, 2010) and vertical dialogue. Likewise the extent to which strategy communication reached its final recipients depended on the communicators. However, the framework did not take into account how pivotal the role of middle management as strategy communicators was, but rather focused a bit too heavily on top management. A separate interview series or survey for middle managers would have been beneficial for the examination of this phenomenon.

However, “lost communication” was discovered, and the main reasons for it were the aforementioned intermediate organizational levels between the top management and lowest levels of employees. A separate phenomenon, which did not appear in the framework, was the division between those employees who had universal access to the case company’s online tools and those who had only sporadic or not access to them.

The reception frameworks for strategy communication (Mustonen, 2009a) were all discernible in the open answers of the survey. Of the negatively inclined ones, the busy person’s framework was most prevalent, followed by the rejecter’s framework. However, the most frequently observed framework was the satisfied recipient’s framework, which naturally correlated with a higher perceived effectiveness of strategy communication and better understanding of the effects of MWBs to the respondent’s own work.

Furthermore, as stated by Mustonen (2009a), one of the main reasons for rejecting strategy communication was the perceived distance between strategy and daily work. This was also reflected in the two main groups of the framework (management and employees) and their occasionally differing attitudes towards the importance and scope of strategy.

The CEO's interview comments reflect well Aaltonen & Ikävalko's (2002) framework of the constant review and adaptation of strategy, and the importance of including strategic targets into superior-subordinate discussions. Likewise, many of the DSD's comments hinted at Mintzberg's (1978) model of strategy being made up of planned and emergent proportions. This being said, the factors affecting strategy creation that were clarified by the findings could have been given a more significant role in the analytical framework.

McAfee's (2009) and Thomas and Barlow's (2011) views on the importance of social media as an emergent internal strategy communication tool were reinforced by the background interviewee (NP) and suggested by some of the correlation results of the survey. This would have merited a more significant role for social media tools in the analytical framework as well.

To summarize, the analytical framework was adequate as a simplified model of strategy communication. Some of the elements it comprised were not as significant as Figure X suggests, while others turned out to be more significant than initially hypothesized. This can be attributed to the distinct characteristics of the case company's strategy communication. The implication is that another company might require a slightly—or drastically—different framework.

## **6. CONCLUSIONS**

The purpose of this thesis was to study the strategy process and strategy communication inside the case company. One of the aims was to gain a bilaterally focused understanding of the perceptions of strategy communication that were prevalent in the case company.

This chapter sums up the study. It is divided into three parts. Section 6.1 presents a summary of the research, its background, main theories and methods. Based on the study's findings Section 6.2 presents concise and explicit answers to the research question and the four research questions into which it was divided. Section 6.3 expands the findings and refines them into practical implications. In section 6.4 the limitations of this thesis are discussed. Finally section 6.5 proposes unexplored avenues for future research in the field of this study.

### **6.1 Research summary**

This section summarizes the background, literature review, methods and data of the study.

This study was conducted as a commissioned thesis in order to investigate strategy communication and the tools and methods it encompasses from a bilateral perspective. The study aimed to solve the research problem: "How is the internal strategy creation and communication at the case company perceived now and in the future?" In order to gain more detailed answers, this research problem was approached through four research questions:

1. How is the strategy process perceived by the management of the case



company?

2. How are the actors and methods of strategy communication perceived by the management and employees of the case company?
3. How is vertical dialogue in strategy communication perceived by the management and employees of the case company?
4. How are the case company's employees' perceptions of strategy and strategy communication connected with their background and social media use?

The analysis of existing research focused on three main fields: strategy creation and implementation, strategy communication, and social media. In strategy implementation Mintzberg's (1978) and Aaltonen and Ikävalko's (2002) theories were contrasted and reflected. Mustonen's (2009a) views on the reception frameworks of strategy communication alongside Tourish's (2005) and Tourish and Tourish's (2010) study on downward and upward communication constituted the corpus of the strategy communication section. Social media was approached from an ESSP perspective (McAfee, 2009) and a matrix perspective (Mustonen, 2009b; Kaplan & Haenlein, 2010) as well as in a technological and generational context (e.g. Davis, 1985; Venkatesh & Davis, 2003; Junco & Mastrodicasa, 2007). Finally an analytical framework based on the literature was proposed for the purposes of this research.

The research methodology was a combination of qualitative and quantitative methods applied in a case study context. The case company was KONE Corporation, a Finnish elevator and escalator manufacturer and service provider with global activities and approximately 37,000 employees. The qualitative analysis was applied to three semi-structured interviews with the case company's top management, and it was supported by one background interview with a social media and communications professional.

The quantitative analysis pertained to an employee questionnaire, which was conducted via a web form and distributed via an email message and Intranet link. The questionnaire asked about the respondents' use of social media, their views on the

various facets of strategy communication process, and their background. The number of responses was 413, and 76% of the respondents worked primarily in Finland. The respondents represented a variety of organizational levels and age groups.

## **6.2 Answer to research questions and research problem**

This section revisits the research problem and the research questions, stating explicit answers to them on the basis of the findings and discussion of the study. The four research questions will be answered separately in the following paragraphs, which also constitutes an answer to the research problem.

Research Question 1: How is the strategy process perceived by the management of the case company?

The strategy process included strategy creation, strategy implementation and strategy review, of which strategy creation was in the focus. The case company's management perceived the strategy creation process as inclusive of a wide variety of personnel. Furthermore, the strategy creation process was facilitated by separate strategy facilitators. On the other hand, the process was focused and aligned on a global scale, which meant certain compromises for local markets and units. Secondly, the creation process was deemed by one member of the management as partially too global, not including enough of the country units' perceptions to the strategy.

The strategy implementation relied heavily on—and seemed to be occasionally synonymous with—strategy communication. Although the implementation process was clearly structured and generally perceived as successful, one interviewee held a view that an even faster implementation of strategy to country units could be used to reach untapped business potential.

The strategy review process was seen as appropriate and effective. The three-year cycle for strategic development programs was considered to be of an appropriate length. One member of management criticized a lack of rigorous follow-up on a more detailed level of strategic initiatives and their subprograms.

Research Question 2: How are the actors and methods of strategy communication perceived by the management and employees of the case company?

The perceptions of actors and methods of strategy communication varied. The management generally considered live communication by management as the most important method of strategy communication. The view was somewhat mirrored by the employees. Both management and employees considered President & CEO Matti Alahuhta to be the most important actor in strategy communication. Although face-to-face communication was not perceived to be the most efficient method, its value was both recognized by management and well received by the employees. According to the employees the next most important actor was their immediate superior.

The management also named every person with subordinates as a potential strategy communication actor. The role of middle management as strategy communicators was highlighted as pivotal. Those employees, who had negative or conflicting experiences with strategy communication often brought up the role of a middle manager. Particularly common was the view that the senior management's effort and input is undermined or even negated by the middle manager's disinclination or inability to either understand or convey strategy messages.

The case company's personnel demography in itself proved to be a crucial factor in the strategy communication context. Since many of the most efficient tools included the use of computers and/or email, they only reached one third of the case company's personnel, as two thirds were operatives without regular access to computers or an

email address. This raises the immediate superiors to an even more important position as gatekeepers of strategy information. This position was recognized by the management as well.

The management also highlighted the strategy communication tools, which require interaction as an important strategy communication method, particularly when combined with live communication.

Research Question 3: How is vertical dialogue in strategy communication perceived by the management and employees of the case company?

Dialogue in different forms and situations was considered a highly important part of strategy communication by the case company's management as well as its employees. Furthermore, a moderate correlation was found between vertical dialogue between immediate superiors and their subordinates and both the perceived effectiveness of strategy communication and the extent to which strategic initiatives' effect on the respondent's daily work was understood. On average the employees perceived their immediate superiors as encouraging dialogue in the form of questions and feedback.

Dialogue in strategy communication was perceived to work through many channels, but the management highlighted the effect of cultural differences in the likelihood of creating dialogue. They were of the view that in some countries dialogue is not a part of management culture, and the company management did not assume to change that, although they expressed some belief in incremental changes.

Research Question 4: How are the case company's employees' perceptions of strategy and strategy communication connected with their background and social media use?

There were several trends in the respondents' background with regards to their perceptions of the effectiveness of strategy communication and their understanding of the effects of strategic initiatives on their work.

The understanding of the effects of strategic initiatives was better in higher organizational levels, as was the perceived effectiveness of strategy communication. One noticeable discrepancy was between the two groups of operatives (the employees generally outside the reach of many of the strategy communication tools). The operative supervisors had a better understanding of the effects of strategy and perception of strategy communication than the operative technicians and specialists.

The respondents' age and length of employment also had an effect on their understanding of the effects of strategic initiatives on their work. The second oldest group of employees as well as the ones with the second longest employment understood the effects best. In the other end of the spectrum, there was a drop in the understanding after one year of employment.

Younger respondents tended to use social media more, in particular social networking tools. Collaborative tools were used equally much by all age groups. A high use of social media externally correlated positively with a high use of the case company's internal online media. The use of social media was not found to have a meaningful correlation with the perception of strategy communication or with the understanding of strategy.

### **6.3 Practical implications and recommendations**

This section clarifies and elaborates on the implications that the findings of this study have on managerial activities and organizations. The practical implications presented in this section draw from the empirical results of this research reflected against literature.

The section is divided into subsections according to prevalent phenomena or findings that the data analysis uncovered. The subsections present general recommendations for managers about how to improve strategy communication and the tools associated with it.

### **6.3.1 Social media is an emerging strategy communication tool**

Social media in its many manifestations is incrementally being adopted for corporate communications (McAfee, 2009; Thomas & Barlow, 2011). The main weight has been in external communication, where the organizations have a possibility of engaging in dialogue with its external stakeholder groups. In particular marketing communications and brand management are focal fields in the use of social media. In internal communications—itsself an increasingly ambiguous term—the focus has been in collaborative tools and information sharing.

Strategy communication is characterized by the stress on top-down messages and their implementation. In this respect it is not a symmetrical setting, which directly benefits from collaborative tools. Furthermore, although dialogue is considered important, it is restricted to the implementation aspects of the strategic initiatives rather than the actual content and direction of the strategy. Thus social media is not an intuitive choice for conducting or aiding strategy communication.

However, social media is becoming an increasingly central toolset and even mindset for communication outside the strategy communication context and especially outside the organizational hierarchy. Unsurprisingly, the data shows that younger people are more engaged in social media, both as consumers and contributors. Furthermore, there is a distinct generational gap between the average team of senior managers and the average new recruit. This suggests that there may be a discrepancy between how senior management perceives the role and potential benefits of social media tools and how its benefits are perceived by the younger generations. Ten years from now, according to a

number of sources, social media will be as much a staple of organizational communication as the Internet. Indeed, the now ubiquitous Intranets were all but unheard of 15 years ago, and they are a rudimentary form of social media in and of themselves. And 20 years ago the concept of a “home page” was novel and its potential scarcely understood, in much the same way social media is today. This development implies a rising trend in utilizing social media for different corporate communication tasks.

A second, albeit only partially related trend is the trend in mobile browsing of the Internet and the gradual obsolescence of the traditional division between Desktops, Laptops and Smartphones. It is forecast that in a few years the majority of browsing will be done with mobile devices<sup>4</sup>. Combining this trend with the present-day fact that two thirds of the case company’s personnel operate without the use of computers but increasingly with the aid of mobile devices, there is an extremely large amount of untapped strategy communication potential in mobile devices.

Despite its emergent role, social media as a set of strategy communication tools should be embraced already now, while it remains a less explored competitive edge. The variety in the speed of adoption of social media for external communication is a good indicator of the best and worst practices in social media. There are companies who have harnessed social media for enhancing brand awareness, engaging their customers and creating direct sales. Conversely, there are many companies for whom the main motive for being active in social media is “because everyone else is there”. This difference in approaches is naturally reflected in the results too.

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<sup>4</sup> Nonwithstanding what the actual definition of a mobile device will be in the future.

### **6.3.2 Dialogue enhances understanding of the link between strategy and one's own work**

The results of the study strongly suggest that the employees who have a possibility to converse about the contents of strategy messages and how they connect to the recipient's own work also understand the strategy better and perceive the strategy communication to be more effective. This is in line with the findings of e.g. Aaltonen & Ikävalko (2002). The dialogue can take many different forms and can happen between superior and subordinate or between peers. This study focused on vertical dialogue, so peer-to-peer dialogue is left relatively unexplored.

Some of the clearest results from the quantitative data (which were also reinforced by open answers) were the correlations between dialogue and understanding of strategy. However, it needs to be noted that enabling dialogue is a less efficient form of strategy communication than static messages or mass events with mainly one-sided communication. Therefore higher returns must be expected from it as well.

On the other hand, the strategy creation process itself is clearly structured and limited to a smaller group of managers or other key personnel. Consequently the contents of the strategy are not likely to change lightly after the main formulation event is finished. Thus unless the company gives relative free reins to local units in interpreting the strategy, the dialogue is limited to the different ways the strategy is implemented in the employees' own work.

It would be recommendable for companies to encourage a culture of open and informal strategy dialogue coupled with a clear, universally understood direction. The strategy must naturally be good in and of itself and appropriate for the company's market(s), since good communication can at best mitigate a bad strategy. But even an excellent strategy can be ruined by a lack of common understanding and dialogue. Simplicity is



key, since the common understanding must start from the top echelons and persist all the way down to lower levels of the organization.

### **6.3.3 Middle managers' role as strategy communicators is critical**

The crucial role of middle management in strategy implementation has been studied extensively (e.g. Aaltonen & Ikävalko, 2002, Balogun & Johnson, 2005). They are often not integrated into the strategy creation process, especially in large companies. Yet they have one or more layers of subordinates to whom they are expected to make sense of the strategy messages. They may acquire the role of ambassador, which is also reflected in the ways they receive strategy messages (Mustonen, 2009a). Most companies practice various different methods of reaching all levels of the company at the same time, and today's technologies facilitate that. But if the efforts of top management are not echoed by middle managers, it may more than counteract the the compound effect may turn out to be negative, when the employees get mixed messages from higher up and from their immediate superior.

There may be different reasons for the message getting stuck at the middle level. In essence, if the manager sees his own role as anything less crucial than the ambassador's role, the integrity of strategy messages is in jeopardy. It may be that the manager fails to see a connection between strategy and actual work, considering it detached and distant. Or it may be that for whatever reason the manager doesn't perceive there to be enough time for strategy communication, due to workload.

In any case, a rigorous follow-up regime for this level of strategy communication seems in order. It was already reflected by the DSD that the level of follow-up and review is not always at an appropriately deep level. This could well be connected with the aforementioned lack of dedication to strategy communication. The clear connection

between higher-level strategy initiatives and the recipients' work must be made clear, as well as the potential benefits for observing the strategy.

It must be noted, however, that middle managers come in a variety of forms and types, and their role in the hierarchy may be their only common denominator. Thus attention should be given also to other external factors that may have a negative effect on a particular individual's or group's perception of strategy communication—and consequently a negative effect on how they behave as part of the continuum.

#### **6.4 Limitations of the study**

This section outlines the limitations of the present study in the wider scientific and practical context.

First, this research was conducted as a case study, pertaining to a single case company's internal communication. Therefore the results also demonstrate a single-company approach to the subject matter. This means that the results are limited to the context of the organization in which they were studied, and are not directly applicable to a wider organizational context.

Second, social media is a young, relatively unexplored and constantly developing subject. Therefore any approaches taken and comments given during the conduction of this study<sup>5</sup> may become outdated quickly as the field is studied further and new theories and applications are discovered.

Third, the survey generated 413 replies. Theoretically the maximum number of answers was over 10,000, which means that the sample is not as such representative of the population it was chosen to represent. This severely limits the applicability of the data

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<sup>5</sup> Between November 2011 and June 2012.

in the statistical sense, and makes the results more suggestive than declarative. Furthermore, the survey respondents were mainly staff, who represent only approximately one third of the entire workforce. This inadvertently served as a way to underline the different status of these two groups of employees but also further limits the applicability of the survey data in an internal context as well.

Fourth, the survey also contained some questions that were not entirely free of ambiguity in interpretation. Therefore for these questions only the author's own assumption about what is implied in the answers makes them applicable. The survey also contained some elements that were difficult to compare, because the scaling was not uniform. This limited the usefulness of the survey.

Fifth, the author was through professional contacts personally acquainted with two of the four interviewees prior to interview. This could have had an effect, where on one hand the interview questions were asked in a manner that paralleled the interviewees perceived views; and on the other hand the interviewee gave answers that he/she thought would be better received by the interviewer.

## **6.5 Avenues for future research.**

This study focused on the management and employees' perceptions of strategy communication and dialogue, and also inquired into how social media tools are perceived as part of an internal communications framework. However, the inherently technical nature of the aforementioned tools was analyzed only from an employee acceptance viewpoint, and not from a technological or information security perspective. Future researchers could focus on the IT function of a company or several companies and uncover their views. Furthermore, security issues and the IT managers' role as technological gatekeepers could be explored.

Second, an avenue that was left unexplored was a more linguistic-based discursive approach to how social media defines our communication style. This could mean, for example, whether the next generation of employees is predisposed to shorter messages; or whether the capabilities for deep learning have changed since the advent of SMS messages and tweets. Also the informational content in relation to length of shorter messages—or “informational density”—could be explored. Here researchers could draw from the works of e.g. Kankaanranta<sup>6</sup> (2005).

Third, this study chose to disregard certain parts of the case company’s strategy for clarity’s sake, focusing only on the development programs, which bring the strategy to action. This was done partially because the development programs were the body of the strategy, and the part that was perceived most crucial for employees to understand. Also, it was implied that the employees might be confused if every possible aspect of the strategy was involved in the questionnaire, therefore counteracting the quantitative results. This breadth of strategic material suggests that there is a research space for exploring how well employees are able to distinguish between a strategy message and a non-strategy message. It can also be explored what kind of associations strategy messages create, if their strategic intent is not made explicit.

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## APPENDICES

### Appendix 1: Table of interview quotes before translation

Page number	Interviewee	Quotation
62	CEO	"...kokosimme hyvää diversiteettiä edustavan eri puolilta maailmaa erilaisia tehtäviä tekevän 25 hengen avainporukan, jossa sitten tehtiin töitä viikko. Eli loimme näkemyksen oman yrityksen tilanteesta, kilpailusta, ja markkinoiden ja kilpailun kehityssuunnasta. Ja tätä kautta sitten nähtiin mikä on meidän muutoksen tarve. Tämän jälkeen sitten määrittelimme hyvin terävän, fokusoidun strategian, joka sitten lähtisi viemään meitä oikeaan suuntaan. Ja mikä olennaista, saman tien sitten päätimme mitkä ovat ne viisi keskeistä kehitysohjelmaa, eli meidän termeillä 'must-win-battles', jotka laittavat strategian käytännössä elämään."
62	CEO	"...kun [strategiset kehitysohjelmat] kolmen vuoden välein valitaan uusiksi, me otamme laajasti organisaatiosta inputtia."
62-63	DSD	"...kun suurin piirtein syys-lokakuussa 2010 oli management meeting, mihin kutsuttiin sitten satakunta ihmistä ympäri maailmaa, niin ennen sitä oltiin sitte valmisteltu näitä mahdollisia näkemyksiä noin 50 haastattelun kautta. Eli osa näistä jotka tuli sinne mukaan, niin niiden kanssa oli tunnin slotti, jonka aikana käytiin että mitä he näkee, jos pitää katkoa kolmen vuoden päähän, niin mitä ne haasteet mitä meillä on, kun markkina ja kilpailu muuttuu, niin minkälaisia teemoja pitäis korostaa. Se oli eka tapa saada inputtia, ja sen perusteella tehtiin ensimmäinen ehdotus mitä EXBissä katottiin..."
63	DSD	"Mä luulen että tää itse syntyprosessi näille MWBille on ollut erittäin toimiva. Et siin on osallistettu, kuunneltu ja aidosti sitten huomioitu heidän kommentit niihin pääteemoihin. Eli se luomisvaihe on ollu hyvä."
63	CCO	"Se mikä tietenkin tekee siitä [strategian luomisesta isolla joukolla] sitten haastavan on että tosi moni haluaa osallistua ja kokea osallistuvansa ja se aiheuttaa sit paljon tällaista sisäistä lobbausta siinä vaiheessa kun on suuria intohimoja, kun haluat saada jonkun sun oman asian sinne läpi."
63	CCO	"KONEella strategia tehdään paljon enemmän omin voimin"

		kuin keskimäärin suomalaisissa yrityksissä vaikka ne on kuinka kansainvälisiä. [...] KONEen tapa on se että KONE lähestyy hyvin paljon itse sisältä, viitekehykset tulee Matin [CEO] tuomina hyvin pitkälle ja niin kuin sanottu, Matilla on hyvä tausta siihen, sekä akateeminen että kokemuseräinen. [...] Ja se, mikä meillä on keskeistä, on nää must-win battlet, ne toimii meillä hyvin.”
64	CEO	”...oli tärkeää määritellä yrityksellemme visio. Siis visio, joka on helppo kommunikoida kaikille KONElaisille. Että tämä on se suunta johon haluamme mennä.”
64	CEO	”3 vuotta on sellanen että se on riittävän pitkä jotta saadaan pysyvää vahvuutta aikaan, mutta se on riittävän lyhyt että se on hahmotettavissa, ja jokainen päivä tuntuu merkitykselliseltä.”
64	CEO	...saatiin kolmessa vuodessa niin hyvä momentum aikaan että päätettiin että nyt kehitetään, johdetaan ja seurataan [eräitä kehitysohjelmia] muilla keinoin, jolloin ei ollut tarvetta ottaa sitä enää seuraavalla jaksolla.”
64	CEO	”...se on joukko energisiä ja kommunikointikykyisiä meidän jatkuvaan muutokseen sitoutuneita ihmisiä, jotka pitävät huolta, että siinä heidän toimintaympäristössään—oli se sitten maa tai tehdas tai tuotekehitysyksikkö, mikä onkin—niin että se esimiesten kautta tapahtuva face to face –kommunikaatio, niin että se ei katkea keskijohtoon vaan että se menee läpi.
65	CEO	”...me olemme määritelleet viisi tekijää, joiden osalta pyrimme joka vuosi etenemään positiivisesti. Jos etenemme kaikkien niiden kohdalla jatkuvasti hyvin, rakentuu silloin koko ajan vahvempi yritys. Nämä viisi tekijää ovat: asiakastyytyväisyyden paraneminen, henkilöstön tyytyväisyyden paraneminen, markkinoita nopeampi kasvu, parempi taloudellinen kehitys kuin kilpailijoilla ja vahva eteneminen kestäväen kehityksen alueella. Siinä on kaikki päänäkökulmat. Sillon jos tähän pyritään, ei ole riskiä siitä että olemme pärjänneet jollakin valitulla kapealla alueella eikä samalla olla pidetty huolta pitkän tähtäimen kilpailukyvvystä.”
65-66	DSD	”...pitäis pohtia sitä, miten sais näkyvämmiin ja nopeemmin tiettyjä saavutuksia maiden käyttöön tai tietouteen. Ja toisena, ku tää on ollu aika keskuspainotteinen harjoitus, niin vois maita ja alueita sparrata enemmän, että ne pohtii näiden tärkeiden teemojen sisältä, et mitä he vois tehdä niihin liittyen, sen sijaan että ne odottaa aggressiivisesti globaalin tiimin jotain ohjetta tai ratkasua sähköpostissa.”

67	CCO	”Tässähän tärkein kanava on se jossa henkilökohtaisesti vaikutetaan. Aina kun on puhuva pää niin se on kaikista tehokkain kanava strategiaviestintään.”
68	CCO	Periaattessa strategiasta pitää osata puhua jokaisen, jolla on esimiesvastuu. Mennen aina tiimiesimieheen asti. Koska mekin toivotaan ja meidän ohjeistus on se, että strategian täytyy näkyä myös jopa kehityskeskusteluissa, se näkyy sinne asti.
69	CEO	“...tietysti itse käyn aktiivisesti puhumassa henkilöstön kehittämisohjelmissa ja kun käyn eri maissa niin silloinkin on usein tällainen keskustelutilaisuus.”
70	CEO	“...hyvinkin tiiviisti lähetin näitä CEO lettereitä, joka oli— ja on—hyvin tehokas tapa saada suora access jokaiseen KONElaiseen, joka lukee sähköpostia”.
70	CEO	”...tämä samanlainen kommunikointi jatkuu koko ajan, nyt viime vuosina sillä tavalla, että itse lähetän CEO lettereitä vähän harvemmin, ja samanlaiseen viestintään on otettu laajasti mukaan muita avainhenkilöitä. Näin tähän muutosviestintään on tullut laajuutta.”
71	DSD	”...kun on tällainen maaton kick-offi missä annetaan johtoryhmälle se suunta, niin sehän pitää viedä se viesti sitten eteenpäin. Ja kommunikaatiotiimin kanssa luotiin tällaiset workbookit, jotka avaa tiimitasolla mitä nää kaikki tarkoittaa. Eli siellä on tietyillä kysymyksillä kysytty että ’miten sä pystyt vaikuttamaan asiakastyytyväisyyteen sun päivittäisen työn kautta?’ Et pyritään tällaiset konseptuaaliset teemat kääntämään hyvin käytännönläheisiksi, että takkatulen tai notskin äärellä puhutaan niistä arkisessa ympäristössä.”
71	CCO	mutta mitkä tahansa mitkä osallistaa. Mitkä tahansa missä sulla on mahdollisuus, missä odotetaan että sä itse annat jonku responssin kirjottamalla, puhumalla, keskustelemalla, vastaamalla, käsin kirjottamalla tai koneella kirjottamalla. Mutta kaikki jossa sulta odotetaan itseltä jotain inputtia. Ja sen vuoksi esim. meidän pitää pysytä rakentamaan kanavia, jotka toisaalta tukee niitä ihmisiä jotka tekee toimistotyötä läppäreiden kanssa, mut semmosia joilla ei oo läppäriä ollenkaan työvälineenä. Eli se ei saa jäädä kanavasta kiinni, että sulla on käytettävissä joku tietsikka tai ei. Ja pitää olla näitä vuorovaikutteisia.
72	CCO	”...jos esimerkiks työntekijät käy kerran kuussa tunnin tai kaks toimistolla tuomassa tuntiraportit vaikkapa mitkä he on kirjoittaneet [...] niin täytyy hyväksyä, että sen puolentoista tunnin käynnin aikana voi olla että sillä

		työnjohtajalla on hänen prioriteeteissaan esim. jotakin sillä hetkellä tärkeämpää kerrottavaa [...]. Ja voi olla, että hänellä ei ole todellakaan semmosen strategian kommunikaatiolle aikaa jos se on tämmönen kaks tuntia kuukaudessa kun hän tapaa tiimensä, niin meidän pitää jättää hänelle harkittavaksi että miten ison osan ja millä tavalla hän käyttää sitä strategiaviestintään.”
72	CEO	”...vaikka markkinamme on sillä tavalla globaali, että kilpailukykyä voi kehittää globaalien ohjelmien kautta, niin liiketoimintamme on implementoinnin osalta erittäin paikallinen. Viestinnän merkitys toiminnassamme on erittäin suuri”
72-73	CCO	”Meidän on pakko olla varma että se yksikkö tai henkilöt jotka alkaa bloggaamaan, että ne sitoutuu siihen. Ei riitä että sä teet yhen tai kaks juttua, sieltä täytyy tulla koko ajan sitten niitä blogeja ja sun pitää alkaa siellä vuorovaikutusta, sun pitää seurata mitä ihmiset kommentoi. Ja sen takia toi Customer Experience –tiimi oli ensimmäinen jolle annettiin tällainen bloggausmahdollisuus ja nyt sitten sinne on lisätty esimerkiksi nää integrated access, integrated services, otettu henkilöitä ketkä alkaa bloggata, koska sun on pakko sitoutua tiettyyn frekvenssiin ja vuorovaikutukseen sen jälkeen.”
74	CEO	“...miten tästä eteenpäin, niin kyllähän se on ihan selvää, että varmasti tulemme jatkossa käyttämään tavalla tai toisella nykyistä aktiivisemmin sosiaalista mediaa. Mutta jälleen niin, että ei se näistä muista kommunikaatiotyökaluista ota mitään pois, vaan edelleen aktivoi sitä dialogia.”
74	DSD	”...sosiaalinen media, kanavana sisäisesti vois olla hyvä, siellä on joku chattipalsta missä on vaikka kilpailijaryhmä, mitä oot kuullu tai nähny kilpailijoiden toimivan, mitä muutoksia asiakkaissa. Ja sitä kautta tulis sitten niitä ideoita syvemmältä kentältä.”
74	CCO	”Twitteri on kanava joka on parempi niin sanotusti hyvinä aikoina ottaa haltuun ja opetella sen käyttö, ettei käy niin, että sit keskellä kriisiä sä yhtä aikaa hoidat sen kriisin viestintää ja otat käyttöön kanavan joka sulla siihen mennessä ei oo ollut hallussa. Ja tietyille kohderyhmille sosiaalinen media on myös meille se tapa alottaa kommunikaatio koska nämä on jo siellä. Ja sen takia meidän kannattaa mennä sosiaalisen median kautta sinne...”
79	CEO	”Tavoitteena on, että jokainen KONElainen ymmärtää



		meidän kehitysohjelmien kokonaisuuden, meidän visiomme, ja näin ollen sen mihin pyrimme ja millä tavalla. Ja luonnollisesti erityisesti sen miten hän itse voi kontribuoida tähän.”
79	DSD	”...se on sen paikallisjohdon tsemppauksesta kiinni että saadaan niiku se kivi pyörimään siellä. Et voi olla ettei se joissain maissa, jos ei oo sellanen kulttuuri että käydään dialogia suunnasta ja muuta, niin se voi olla vähän vanhakantasta ja haasteellista saada sinne viimeselle kaverille sitä viestiä.”
79	CCO	”...Se on hyvin tämmönen, pohjoismaalaista ja jonkun verran myös amerikkalaista perua että osallistutaan aktiivisesti strategiakeskusteluun ja lähetään siitä, että strategiaviestintä on aina dialogi. Niin on kuitenkin paljon sellaisia maita, joissa ei oo tapana että strategiasta keskustellaan, koska se jopa koetaan että jos strategiasta keskustellaan tai siitä kysytään johtajalta lisää, niin se on niin kuin johtajan kyseenalaistamista, ja se koetaan loukkaavaksi. Ja sen vuoksi me joudutaan hyväksymään tilanteita, että paikallinen johto esim. itse arvioi että onko tämä kohta josta käydään dialogia.“
80	CCO	“...tämmöset globaalit toimintatavat, että kaikki yritykset pääsääntöisesti kannustaa vuorovaikutukseen ja osallistumiseen [muuttavat kommunikaatiokulttuuria]. Ja se kannustaa myös sellasii maita ja kulttuureita joissa se perinteisesti ei oo ollut tapana siihen että ainaki yrityksen puitteissa sun on suotavaa että sä ilmaiset itseäs.”
88	CCO	”...mitä nuorempiin sukupolviin mennään niin sitä tottuneempia ne on ihan aidosti, ne uskaltaa ensinnäkin ilmaista itseään, niillä ei oo pelkoa että mä joudun Siperiaan jos mä ilmaisen itseäni.”
89	DSD	”...uusua nuoria tyyppejä tulee teknikoiksi niin tää nyky maailma on heille hyvin läheistä. Niin voisin kuvitella että 5-15 vuoden aikana siellä on sellasia jotka on hyvin uusmedia-orientoituneita ja osaa käyttää näitä tuoreempia vempaimia...”

## Appendix 2: Cover letter for employee survey (sent 10<sup>th</sup> April 2012)

Hyvä kollega / dear colleague

Kirjoitan parhaillaan pro gradu -tutkielmaani Aaltoyliopiston Kauppakorkeakoulun Kansainvälisen Yritysviestinnän laitokselle. Gradun otsikko on:

PERCEPTIONS OF SOCIAL MEDIA AND INTERNAL STRATEGY COMMUNICATION METHODS: A CROSS-GENERATIONAL CASE STUDY

Osan gradussa käytettävästä datasta kerään KONElaisille suunnatun kyselyn avulla. Kysyn KONElaisten sosiaalisen median käytöstä sekä heidän näkemyksistään KONEen sisäisestä strategiaviestinnästä. Kyselyn ja tutkimuksen valmistuttua tulokset saatetaan KONEen käyttöön.

Olisin kiitollinen jos käyttäisit n. 10 minuuttia ajastasi kyselyyn vastaamiseen. Kysely on englanninkielinen, ja se on auki **10.4.-20.4.** Pääset vastaamaan klikkaamalla oheista linkkiä:

<https://www.webropolsurveys.com/S/7D31E9E0519FADAE.par>

Kiitos avustasi jo etukäteen!

Jussi Herlin

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I am currently writing my Master's Thesis in International Business Communication at the Aalto University School of Economics. The thesis title is:

PERCEPTIONS OF SOCIAL MEDIA AND INTERNAL STRATEGY COMMUNICATION METHODS: A CROSS-GENERATIONAL CASE STUDY

As part of my data collection I am conducting an open survey for all KONE employees about their use of social media and their perceptions of KONE's strategy communication. After the research is completed, the results of the survey and thesis will be given to KONE.

I would be grateful if you took the time to answer a few questions. Filling the survey takes only about 10 minutes. The survey will be online **from April 10th to April 20th**. You can access the survey by clicking this link:

<https://www.webropolsurveys.com/S/7D31E9E0519FADAE.par>

Thanks in advance for your help!

Jussi Herlin

### **Appendix 3: Employee survey form and results (without open answers)**

## **Social media, online tools and strategy communication**

This survey is used to gather data for a Master's Thesis in International Business Communication at Aalto University School of Economics. The topic of the thesis is:  
"PERCEPTIONS OF SOCIAL MEDIA AND INTERNAL STRATEGY COMMUNICATION  
METHODS: A CROSS-GENERATIONAL CASE STUDY"

The survey focuses on three topics:

1. Your usage of different media
2. Your views on strategy and strategy communication
3. Background information about you.

Please answer the questions honestly, and to the best of your knowledge. You will not be asked to identify yourself. All answers will be anonymous. The survey is only offered in English due to limited resources. Filling the survey takes about 10 minutes.

The results of the survey and the thesis will be used in the process of developing KONE's internal strategy communication.

## Section 1: You as a media user

Describe how much you use media, including online and social media.

### 1. How often do you FOLLOW the following media?

In this context, "FOLLOW" means reading text, watching videos, listening to audio etc.

Number of respondents: 413

	Never	Occasionally	1-3 times a month	1-3 times a week	Daily	Total	Mean
Television	5	24	10	58	312	409	4,58
Radio	10	28	20	93	261	412	4,38
Printed newspapers or magazines	5	37	42	126	200	410	4,17
Digital newspaper or magazine apps	33	49	33	96	201	412	3,93
News websites	5	31	25	113	237	411	4,33
Social networking services (e.g. Facebook, Orkut, Renren)	105	44	29	94	136	408	3,27
Microblogging services (e.g. Twitter, Qaiku)	274	66	32	18	19	409	1,64
Photo or video services (e.g. Flickr, Youtube, Vimeo)	24	114	101	146	26	411	3,09
Blogs or discussion forums (e.g. Blogger, Tumblr)	148	120	67	46	26	407	2,22
Collaboration tools (e.g. Wikipedia, Google Docs)	10	61	98	180	62	411	3,54
Total	619	574	457	970	1480	4100	3,51

### 2. How often do you CONTRIBUTE to the following media?

In this context, "CONTRIBUTE" could mean writing text, commenting, sharing pictures, uploading video/audio etc.

Number of respondents: 413

	<b>Never</b>	<b>Occasionally</b>	<b>1-3 times a month</b>	<b>1-3 times a week</b>	<b>Daily</b>	<b>Total</b>	<b>Mean</b>
Television	359	30	8	11	5	413	1,24
Radio	365	36	3	4	4	412	1,17
Printed newspapers or magazines	327	67	7	7	3	411	1,28
Digital newspaper or magazine apps	329	66	8	8	1	412	1,27
News websites	316	73	12	9	2	412	1,32
Social networking services (e.g. Facebook, Orkut, Renren)	141	73	65	95	38	412	2,55
Microblogging services (e.g. Twitter, Qaiku)	340	38	16	14	4	412	1,31
Photo or video services (e.g. Flickr, Youtube, Vimeo)	279	90	33	10	0	412	1,45
Blogs or discussion forums (e.g. Blogger, Tumblr)	293	72	24	17	5	411	1,46
Collaboration tools (e.g. Wikipedia, Google Docs)	299	78	23	11	1	412	1,39
<b>Total</b>	<b>3048</b>	<b>623</b>	<b>199</b>	<b>186</b>	<b>63</b>	<b>4119</b>	<b>1,44</b>

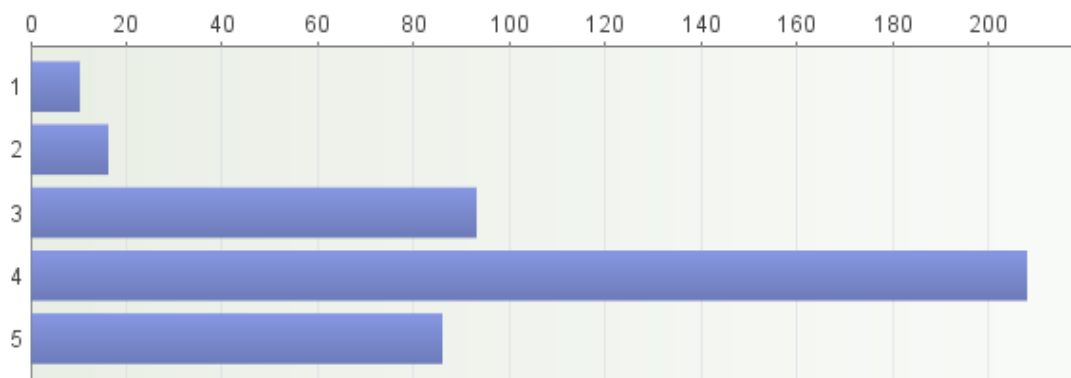
## Section 2: You as a KONE employee

This section contains four statements and four questions about KONE's strategy and internal communication. The statements are answered on a scale of 1 to 5, where 1 = "I don't agree at all" and 5 = "I fully agree"

### 3. "KONE's overall strategy communication is effective"

Strategy communication may come from your immediate manager, HR, local communications, global communications, or a number of other sources.

Number of respondents: 413



### 4. "I understand the effect that KONE's Must-Win Battles have on my work"

Focus on your understanding of the effects of different MWBs, even if some of them don't directly affect your work. In other words, you can also "understand that there is no effect."

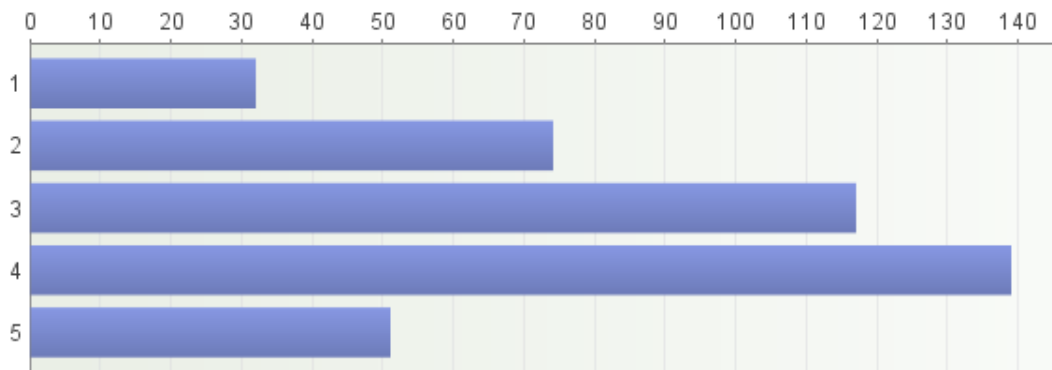
Number of respondents: 413

	1	2	3	4	5	Total	Mean
Customer Experience	8	15	42	182	166	413	4,17
Employee Engagement	11	14	68	167	152	412	4,06
Innovative Solutions for People Flow	7	29	75	170	132	413	3,95
Service Leadership	10	24	97	168	114	413	3,85
Delivery Chain Excellence	11	28	73	151	148	411	3,97
Total	47	110	355	838	712	2062	4

### 5. "My closest superior encourages feedback and questions about how KONE's strategy affects my work."

Are you expected to ask questions about the strategy and how it affects your work?

Number of respondents: 413



**6. "In my opinion the following people are important for strategy communication."**

What kind of effect have these people had on your personal understanding of how KONE's strategy affects your work?

Number of respondents: 413

	1	2	3	4	5	Total	Mean
President & CEO (Matti Alahuhta)	12	19	37	87	258	413	4,36
Another senior manager	15	25	74	151	148	413	3,95
Local communications or HR person	22	56	129	130	73	410	3,43
Your immediate superior	8	29	56	153	167	413	4,07
Your immediate subordinate(s)	46	82	117	102	51	398	3,08
Your peer(s)	26	79	134	119	52	410	3,22
Total	129	290	547	742	749	2457	3,68

**7. How often do you FOLLOW KONE's internal online media?**

In other words, how often do you click and read through content?

Number of respondents: 413

	Never	Occasionally	1-3 times a month	1-3 times a week	Daily	Total	Mean
Global intranet news	2	23	40	136	211	412	4,29
Local intranet news	4	39	65	184	116	408	3,9
Global / local Management Corner	23	70	156	139	25	413	3,18
Internal blogs (e.g. Customer Experience blog)	82	162	117	44	7	412	2,35
Internal discussion forums	127	164	68	43	7	409	2,12
Total	238	458	446	546	366	2054	3,17

## 8. How often do you CONTRIBUTE to KONE's internal online media?

In other words, how often do you write / comment, send your own story ideas etc.?

Number of respondents: 413

	Never	Occasionally	1-3 times a month	1-3 times a week	Daily	Total	Mean
Global intranet news	263	119	27	2	2	413	1,45
Local intranet news	278	106	20	6	3	413	1,43
Global / local Management Corner	329	72	8	1	2	412	1,24
Internal blogs (e.g. Customer Experience blog)	337	63	11	1	0	412	1,21
Internal discussion forums	270	98	28	12	2	410	1,48
Total	1477	458	94	22	9	2060	1,36

## 9. What has helped you to understand or hindered you from understanding how KONE's strategy affects your work?

You can give an example of a situation, message or other event that has had a positive or negative impact.

Number of respondents: 413

## 10. Optional: What kind of dialogue have you had about KONE's strategy within your team or unit?



Dialogue refers to active two-way communication between a manager and his/her subordinate, face to face or with the use of communication tools.

Number of respondents: 211

**11. Optional: Do you have any other feedback about KONE's internal strategy communication or the tools supporting the communication?**

You can freely give feedback.

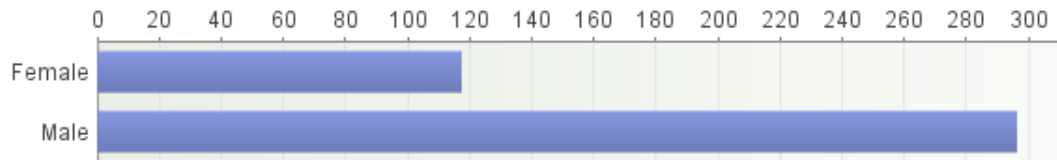
Number of respondents: 139

### Section 3: Background information

Finally, please answer questions about your personal and professional background.

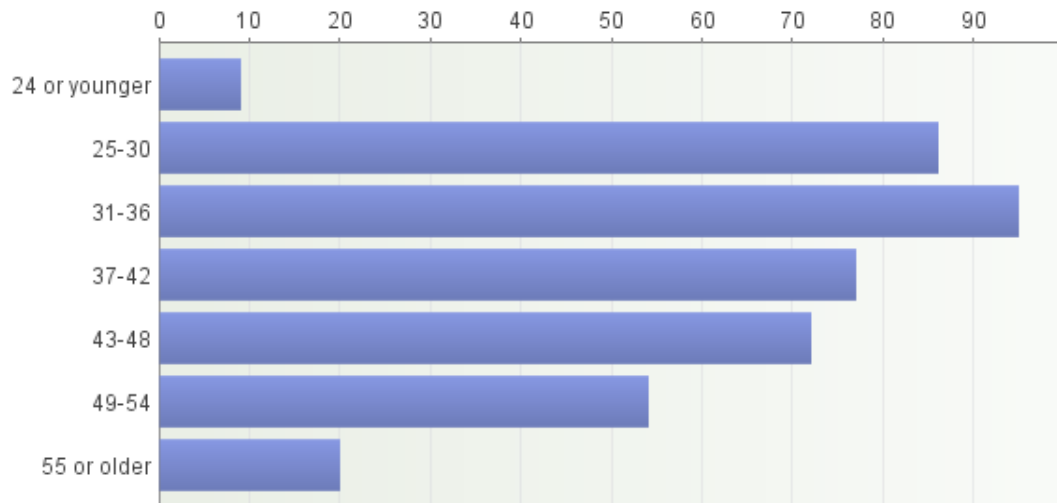
#### 12. What is your gender?

Number of respondents: 413



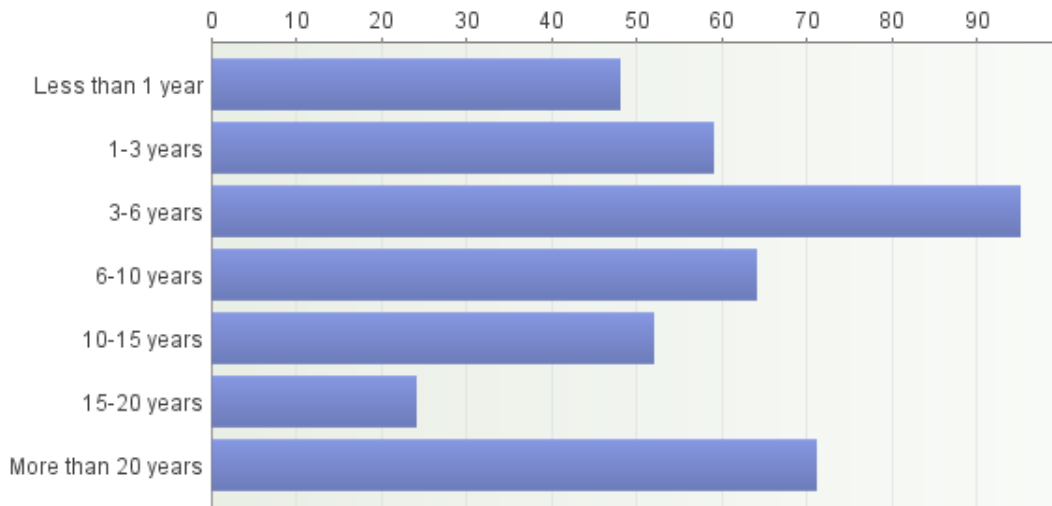
#### 13. How old are you?

Number of respondents: 413



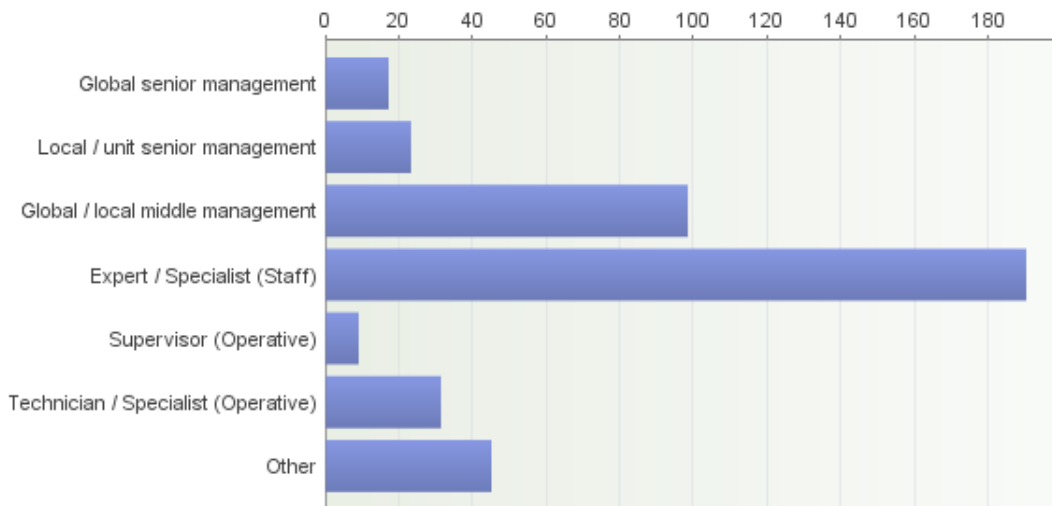
#### 14. How long have you worked for KONE?

Number of respondents: 413



15. What level do you occupy at KONE?

Number of respondents: 413



16. What country do you primarily work in at the moment?

Number of respondents: 413

	<b>What country do you primarily work in at the moment?</b>
Andorra	0
Australia	5
Austria	2
Bahrain	0
Belgium	7
Canada	4
China	11
Cyprus	0
Czech Republic	1
Denmark	1
Estonia	0
Finland	314
France	5
Germany	4
Greece	0
Hong Kong	0
Hungary	0
Iceland	0
India	4
Indonesia	0
Ireland	1
Italy	6
Japan	0
Latvia	0
Lithuania	0
Luxembourg	0
Malaysia	2
Mexico	3
Netherlands	7
New Zealand	0

Norway	0
Oman	0
Philippines	2
Poland	0
Portugal	0
Qatar	1
Romania	0
Russia	0
Singapore	2
Slovakia	0
Slovenia	0
South Africa	0
South Korea	0
Spain	4
Sweden	1
Switzerland	1
Taiwan	0
Thailand	0
Turkey	0
Ukraine	1
United Arab Emirates	1
United Kingdom	5
USA	18
Vietnam	0
Other	0