

Nadja Soukka

Sharing Knowledge

A Study on the Value of Internal Communication as a Component of
Strategy Formulation, Implementation and Execution

Helsinki Metropolia University of Applied Sciences

Bachelor of Business Administration

European Management

Thesis

27th of April 2015

Author Title	Nadja Soukka Sharing Knowledge: A Study on the Value of Internal Communication as a Component of Strategy Formulation, Implementation and Execution
Number of Pages Date	46 pages + 3 appendices 27 th of April 2015
Degree	Bachelor of Business Administration
Degree Programme	European Management
Specialisation option	Human Resource Management
Instructor	Daryl Chapman, Senior Lecturer
<p>Abstract:</p> <p>Technological innovation has not only revolutionised how business is conducted in the global marketplace, but the value of knowledge and human resources. People and the knowledge they possess have become a vital resource due to the increasingly specialised tasks organisations require of them. It has been debated whether strategic human resources management can be a valuable component of the strategy process (formulation, implementation and execution) and in this thesis the discussion is taken a step further by looking specifically at the value internal communication can add to the strategy process. The value added by internal communication is discussed in a theoretical framework of strategy, strategic human resource management, knowledge and decision-making power, and in two case studies that are based on the experiences and opinions of two individuals working with internal communication in knowledge-based fields.</p> <p>The theory and the primary research support the author's claims that internal communication should be included in an organisation's strategic processes because (1) it can provide sustainable competitive advantage through operational effectiveness, (2) it enables the functions of transferring and retaining knowledge within the organisation, (3) it already is an important aspect of translating organisational strategy into functional and operational goals, and would only improve performance if taken to a strategic level, and (4) it provides a sustainable method of improving employee well-being and thus helps attract and retain high value employees.</p>	
Keywords	Internal communication, strategic human resource management, sustainable competitive advantage, knowledge based economy, strategic internal communication

Acknowledgements

I would like to take the opportunity to thank

Daryl Chapman and Michael Keaney for advising and supporting me during the research and writing processes,

Nina Kantele and Markus Talvio for their time and expertise,

and Kirsi Kiljunen, Nicklas Ekblad, Ida Kokko, Marita Soukka and Jari Soukka for all the help and understanding they have offered.

Contents

List of Figures	i
1 Introduction	1
2 Literature Review	2
2.1 Strategy	2
2.2 Strategic Human Resource Management	4
2.3 Knowledge Economy	6
2.4 Decision-Making Power	8
2.4.1 Decision-Making	8
2.4.2 Power	10
2.5 Internal Communication	11
2.5.1 Internal Communication Medias and Channels	14
3 Methodology	20
4 Theory and Discussion	23
5 Case Studies	28
5.1 Research Design	28
5.2 Data	29
5.2.1 Case Markus Talvio	29
5.2.2 Case Nina Kantele	35
5.3 Results	38
6 Conclusions	42
References	44
Appendices	
Appendix 1. Interview Questions: Markus Talvio	
Appendix 2. Interview Questions: Nina Kantele	
Appendix 3. Gordon's 12 Roadblocks to Communication	

List of Figures

Figure 1: The Practices Behaviours Strategy Pyramid (Dessler 2013: 18)	5
Figure 2: Transactional Communication Model (Stuart et al. 2007: 195)	13
Figure 3: Internal Communication Channels (Stuart et al. 2007: 200)	15

1 Introduction

Ever since the 1970s and the introduction of personal computers, technology has been revolutionising the global marketplace. The effects of the rapid development of technology, not limited to electronics, have revolutionised the way we do business. One of the most significant managerial changes that technological innovation has produced is the increased value of human capital, and more specifically the value of highly skilled human capital with expertise knowledge.

Organisations, like people, have happily been consuming the new technologies and benefitted from the ways it has made life easier and communication faster, but they have been slower at recognising the changes the technology has brought with it.

This thesis will take a look at the changes that have taken place in organisations and how the value of human resources and knowledge has made internal communication an important aspect of formulating, implementing and executing organisational strategy. Internal communication falls under the human resource management discipline, and there is an on-going debate about the strategic value of human resource management as a whole, but this thesis will endeavour to separate the two and concentrate the discussion on internal communication specifically.

Internal communication has been researched in the contexts of what types of effects it has on employee well-being and relatedness, which channels of communication are optimal for specific types of messages, and the effects that miscommunication can have on employee satisfaction, but there seems to be a research gap involving the value of internal communication in the strategy processes.

This thesis attempts to provide organisations with a comprehensive understanding of the different aspects of internal communication and the potential value it can bring. The topic is approached from two sides, the first being the secondary research in the form of the literature review and theory, and the second through qualitative primary research. The primary research consists of two case studies compiled from the opinions and experiences of two individuals working in internal communications-related tasks.

2 Literature Review

Human resource management is a popular topic that in one form or another has intrigued researchers and scholars since the industrial age. Since then the prominent theories and practices have evolved in order to adapt to the changes in the business environments, and today human resources is considered vital aspect of successful business endeavours. Changes in the global market environments and continued research have lead to the point where scholars have been debating human capital as a source of competitive advantage for over thirty years. Technological advances have rocked the foundations of some previously solid theories and given birth to new ones. Some of these theories will be discussed in the following section.

The main focus of the literature review is on strategic human resource management, the development of the organisational value of knowledge, decision-making power, and internal communication. In the Theory and Discussion section of this thesis, the results of the literature review will be discussed further in the context of whether internal communication should be included as a valuable component in organisational strategy.

2.1 Strategy

To discuss the strategic qualities of human resource management (HRM), and more specifically of internal communication, it is relevant to define the concept of strategy, how it is built and its purpose.

Porter (1996) defines strategy as "creating [a] fit among a company's activities". He goes further to explain that in order to have a successful strategy, a company needs to do many things well and integrate them, or they will be imitated by the competition and lose the advantage they initially gained. Porter (2001: 5) also states that the main point of an organisation's strategy is to gain a competitive advantage over rivals. Coulter (2010: 5) is along the same lines as Porter when she defines strategies as goal-oriented plans and actions that are coordinated with the opportunities and threats that the organisation faces. She emphasises the importance of action and implementation and taking the internal strengths of the organisation into account throughout the strategy formulation and implementations processes.

Coulter (2010: 5), Stacey (2003: 52) and Porter (1996) all agree that a good strategy is a long-term engagement that needs to have far reaching goals, while also maintaining a flexibility that enables it to react to changes in the business environments. This flexibility comes from adjusting short-term goals and the methods through which the core strategy is executed, while maintaining the long-term strategic aims.

Stacey (2003: 51) refers to strategy formulation as a process of making a plan where the goals of the organisation, and the actions required to achieve said goals, are evaluated, and the estimated long-term consequences of the proposed actions are considered. Once a strategy has been formed it needs to be implemented, and in order to ensure that the strategy is carried out in the planned manner and produces desired outcomes, a system safeguards should to be created and regularly adjusted (Stacey 2003: 51).

Due to both the strategic goals and the methods of reaching the goals generally involving improvements in internal processes and efficiency, strategy is often confused with operational effectiveness, which according to Porter (1996) means "performing similar activities better than rivals perform them". Porter claims that operational effectiveness helps an organisation to utilize its resources better, but a good strategic position means performing things differently than competition. Operational effectiveness can easily be imitated by competition, thus it can only be considered an advantage if the company is able to sustain higher levels than their competition (Porter 2001: 10).

According to Porter's theories, the two main sources of sustainable competitive advantage are diversification and cost-leadership (Porter 2004: 3). Barney (1991: 105-6) on the other hand believes that sustainable competitive advantage can also be derived from an organisation's resources if the resources are (1) valuable (by either eliminating threats or exploiting opportunities), (2) rare among current and potential competitors, (3) inimitable, and (4) non-substitutable.

A corporation consisting of various business units has its own strategy. Fittingly referred to as a corporate strategy, it covers all the business units and sectors of a corporation, thus involving itself more with what businesses the company should keep, divest or attain in its portfolio. A business unit's strategy on the other hand is more centred on obtaining the sustainable competitive advantage that is required to beat the competition (Porter 1987: 1).

To be successful, a business unit strategy needs to be translated into functional and operational strategies that can be implemented in the different departments making up the business unit. The different departments will take different actions and have different long- and short-term goals, while still performing according to the same business unit strategy (Porter 1987: 1; Stacey 2003: 53). For example, if a business unit producing sneakers is aiming to expand its consumer base to include children, the strategy that has been chosen will be translated accordingly to the finance department and the research department, and while the end goal will be the same, both departments will be taking different steps and aiming for different departmental goals to achieve it.

2.2 Strategic Human Resource Management

According to Dessler (2013: 2), HRM "refers to the practices and policies you need to carry out the personnel aspects of your management job, specifically, acquiring, training, appraising, rewarding, and providing a safe, ethical, and fair environment for your company's employees". He also clarifies that while most large and medium-sized companies have a HRM department, the human resource employees concentrate on specific issues and offer specialised assistance, and thus the managers do most of the practical and non-specific HRM.

Strategic HRM, according to Dessler (2013: 16, 18), is devising and executing HRM procedures and policies that generate the competencies and behaviours needed by the organisation to achieve its strategic goals. Figure 1 graphically outlines Dessler's idea on how the process of strategic HRM works. He starts at the top of the pyramid where a strategic plan is created. The plan is then relayed to the HRM department where they analyse what workforce competencies and behaviours are required to execute it. Lastly, the HRM department devise the methods by which the desired behaviours and skills can be generated.



Figure 1: The Practices Behaviours Strategy Pyramid (Dessler 2013: 18)

Wright and McMahan (1992: 298) define strategic HRM as “the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals” and declare it to be a macro-organisational method of examining the role and function of HRM in an organisation. They also distinguish two vital dimensions that separate it from conventional HRM, which are the linking of HRM practices with the strategic management process, and emphasizing the coordination of HRM practices through an outline of planned action.

Wright’s and McMahan’s description of SHRM has been challenged by Wielemaker and Flint (2005), who find the definition to be too broad and to permit almost any function to be legitimised as a strategic one, even if the function is clearly a supportive one. Wielemaker and Flint (2005) argue that HRM’s attempts at becoming a legitimate strategic function have not succeeded, and even though it is thought of as one more often than before, it still functions in a supportive role. They believe HRM could move up from its supportive role by either being involved in the strategy formulation process or by being a company’s core competency, but they claim that a human resource system that creates sustainable competitive advantage has not yet been invented.

Pfeffer (2002: 62) claims that many traditional sources of competitive success have shifted and diminished in power, and that the growing value of people and HRM has been the basis of the shift in how competitive advantage is gained. Pfeffer’s words call for a new appraisal of the forces behind competitive advantage, and thus also affect the foundation of some of the claims on the strategic value of HRM being solely a supportive function.

Wright et al. (1993: 8) agree with Pfeffer's analysis and argue that human resources can provide sustainable competitive advantage according to the four characteristics defined by Barney (1991: 105-6). They believe that because companies have different tasks requiring different skills and employees with different skillsets fill the different positions, human resources can add (1) value, and since everyone does not possess the same skillset, highly skilled labour can be (2) rare. They claim that the (3) inimitability of human resources is caused by competitors being unable to identify exactly where the advantage stems from, and from them being unable to duplicate the necessary components precisely enough. They contribute this inability to the concepts of unique historical conditions, causal ambiguity and social complexity (Wright et al. 1993: 8-16). They also point out that while a competitor can substitute (through technological advances, for example) an advantage that another organisation has gained by having employees that make up a valuable and rare workforce, this substitute will not in itself be valuable, rare, inimitable and non-substitutable and can be procured by the other company, thus once again making the advantage gained through the human resources (4) non-substituted.

The sustainable competitive advantages that Wright et al. (1993: 18) believe that human capital can produce centres around operational effectiveness. They believe a highly valuable work force can improve a company's ability to notice environmental changes, create strategies in reaction to the changes, and implement them, thus giving the company a head start in comparison to its competitors in the same environment. The debate whether human capital can fulfil the requirements of a resource that provides competitive advantage is still on-going.

2.3 Knowledge Economy

Knowledge is a prerequisite to making good decisions and products, profitable business and legitimate trade (Grant 2003: 204). Due to the technological advances of the last decades, the need for constant information flow and status updates as well as the appreciation of highly specialised skills has grown immensely. While knowledge is no longer under as many locks and keys as before and people are educating themselves on more and more precise topics, the value and power it offers has not changed. In his introduction to the book *Knowledge is Power*, Brown (1989: 3) gives a short history on the appreciation of knowledge:

Shakespeare wrote, "Knowledge the wing wherewith we fly to heaven." And Francis Bacon, the philosopher and courtier, reduced the essentials to "knowledge itself is power," an epigram which became in time the common saying "knowledge is power." Whether knowledge has concerned techniques of farming or fighting, or the knowledge of events great or small, or the possession of holy information, we have generally recognized that people "in the know" command powers that the ignorant lack.

There are many different types and functions of knowledge. It can be divided into explicit knowledge, which is easily transferred, and to tacit knowledge, which is expensive and time-consuming to share (Grant 2003: 207). Explicit knowledge can be simplified to mean data, clear facts such as a person's date-of-birth, but tacit knowledge has to do with skills and know-how, knowledge that cannot be written down in a simple manner, let alone be understood by a reader without the relevant skills or know-how to understand both the topic and the way it has been expressed in the text.

Grant (2003: 204-5) talks about a "New Knowledge Economy" and characterises it by (1) knowledge being the most vital resource, (2) intangible assets, such as technology and brands, being considered key, (3) utilising the unprecedented interconnectivity created by modern networking devices, (4) the digitalisation of information, i.e. databases, share-drives, information processing, (5) the opportunities that virtualisation has opened and by (6) the rapid pace of change in innovation, technology and product life cycles.

Lado and Wilson (1994: 709) argue that HRM managers and professionals, and their social interactions, develop a pool of organisation specific knowledge, which can be deployed to provide sustainable competitive advantage through attracting, developing and retaining employees. And, Holsapple and Whinston (1987: 81-82) believe that a knowledge-based organisation is based on technological advances, training, and cooperation (knowledge sharing) between knowledge workers, and that together they produce employee effectiveness and productivity for the organisation.

According to Holsapple and Whinston (1987: 78), there are at least seven types of knowledge to be managed (descriptive, procedural, reasoning, derived, linguistic, assimilative and presentation), and knowledge workers are concerned with procuring, storing, organizing, maintaining, creating, analysing, presenting, distributing and applying different types of knowledge in order to meet an organization's goals.

Grant (2003: 206) critiques the scientific management theory and other hierarchical models of decision-making on their assumption that managers can easily attain knowledge from subordinates. The Total Quality Management (TQM) theory, on the other hand, recognises the difficulties of transferring knowledge and suggests moving the decision-making power down in the hierarchical pyramid, granting it to the employee performing the task, generally to the person who knows the most about the decision being made (Grant 2003: 206). Most TQM literature identifies employee involvement, empowerment, and top management leadership and commitment as the keys to a successful TQM program, but few have sufficiently documented the results to be able to identify which strategies produce the desired results (Ugboro & Obeng 2000: 248).

According to Grant (2003: 207), knowledge is subject to economies of scale and scope because its initial creation is more expensive than reproducing it. This is particularly true for explicit knowledge due to its transferability. What presents a common challenge to organisations is the distribution of knowledge they have acquired, as creating knowledge needs specialisation from the person with the task, but applying the knowledge to the end product requires a more varied knowledge base (Grant 2003: 206-7). For example, a research scientist working on creating a new compound of soft and durable plastic will have very different explicit and tacit knowledge than the person in charge of applying this knowledge to the production of the soles of trendy sneakers, but both employees work in the same organisation and the new compound is its property. The challenge for the organisation is to transfer the knowledge between the different departments as efficiently and cost-effectively as possible, thus allowing them to maximise the profits available for the creation of the new compound.

2.4 Decision-Making Power

2.4.1 Decision-Making

According to Robbins and Judge (2010: 60), decision-making is a reaction to a problem, a situation where a new solution needs to be considered in order to achieve a desired outcome. Robbins and Judge find that the problem is generally not what decision to make, but rather noticing that there is an issue requiring attention (2010: 60). People perceive things differently and what one manager sees as a problem another might not. The difference in perception can be caused by the internal judgments the managers are making or they can be attributed to what data they have received and

how they have screened, processed and evaluated said data. Even if both managers realise that a new alternative needs to be found, the process of creating new solutions, evaluating their strengths and weaknesses, and making a decision on which one to pursue might be very different due to the internal biases of the two individuals.

Robbins and Judge state that the three most common methods of reaching a decision are called the rational decision-making model, bounded rationality and intuition. The rational decision-making model follows a six-step plan, where you (1) define the problem, (2) identify the decision criteria, (3) allocate weights to the criteria, (4) develop the alternatives, (5) evaluate the alternatives, and (6) select the best alternative. However, none of these methods are exclusive of the others. The problem with this model is that it assumes that the decision maker is unbiased, knows all relevant information, finds all the possible alternatives and chooses the optimal result. In reality, people tend to evaluate only a couple of solutions and choose the first one that solves the problem. (Robbins & Judge 2010: 61).

Bounded rationality is a method in which a simplified model is created by taking only the vital aspects of the problem into account. The model looks only at the familiar and most obvious alternatives to the current situation, and generally the new decision is the first acceptable one found and varies as little as possible from the solution currently in place. Using this method will leave much of the complexity of the issue uncovered and minimise the opportunity of finding an innovative solution, thus also leaving many of the less vital side-effects of the issue afloat. (Robbins & Judge 2010: 62).

Intuition is the least rational method of decision-making due to its mostly unconscious nature, relaying on personal experiences and involving emotions. Intuitive decisions are made fast and cannot be quantified, thus they are generally better used in conjunction with a more rational method. (Robbins & Judge 2010: 62).

In addition to decision making processes and personal biases, Robbins and Judge bring up the issues of organisational constraints, by which they refer to the different internal organisational aspects that affect which solution is seen as the optimal one by the decision maker. They bring up several of the most common organisational restraints, such as performance evaluations, reward systems, formal regulations, system-imposed time constraints and historical precedents. (Robbins & Judge 2010: 64-5)

It is natural that both managers and employees wish to receive a good performance evaluation, and thus they perform tasks in the way they believe will be beneficial to their own evaluation. This can have a great effect on the kind of solution a manager will make. Reward systems influence decisions by rewarding managers who have followed the organisational values. For example, rewarding innovative thinking can make managers pursue solutions that are riskier because they have not yet been tested properly. Formal regulations limit the decision maker's freedom by allowing him fewer options due to the constraints dictated by the organisation. System-imposed time constraints force decision making to be done by a certain deadline, thus limiting the time available to gather knowledge on the issue. Historical precedents affect the decision maker in several ways. Firstly, previous decisions of the same nature and their success foreshadow the reason for the new decision. Secondly, every business decision is subject to the current state of affairs within the organisation, which is a by-product of the previous decisions made in the organisation.

2.4.2 Power

According to Bass (1990: 226), power is the ability to influence the actions of another so that they act according to your desires. What creates this power is another person's dependency on something that the person with power has, and thus the amount of power depends on how much that 'something' is desired. A simple example would be the power dependency between an employee and manager: the manager can promote or demote the employee, thus granting the manager a certain degree of power over the employee. The amount of power depends on the employee's desire to advance his career and on his fear of losing the income provided by his current job. Power does not need to be exerted for it to exist. For example, A's desire to impress B grants power to B, even if B is not aware of the situation. Thus, B is influencing A's actions.

Power can be divided into two general categories, formal and personal (Bass 1990: 227-8). Formal power is based on a person's position, and can be divided into three subcategories: (1) reward power, (2) coercive power and (3) legitimate power. Someone who has the ability to grant benefits to people who please him wields reward power. The more the benefits are valued, the more power they can wield. Coercive power is the opposite of reward power in the sense that it depends on fear of negative results: if A does not comply to B's wishes, B can apply physical sanctions on A. Legitimate power is granted by one's position in an organisation. It generally includes more

than just reward and coercive power because the position of authority is accepted by the organisation. The previous example of the power a manager has over an employee is an example of legitimate power.

Personal power does not require a position of power, but is derived from the personal attributes of the individual. The two most common modes of personal power are (1) expert power and (2) referent power (Bass 1990: 228; Robbins & Judge 2010: 206). Expert power originates from one's knowledge, expertise or special skill set.

The appreciation of knowledge has grown during the decades, and Robbins and Judge (2010: 207) claim expertise to be "one of the most powerful sources of influence" and predict that its value may still be increasing. The growing importance of expertise is linked with the world becoming more and more technology-oriented, and thus jobs are requiring an increasing amount to specialized knowledge (Robbins & Judge 2010: 207). Out of the various forms of power wielded by leaders, according to Bass (1990: 233), employees react most favourably to expert knowledge and are least likely to provide resistance to someone wielding it.

The second form of personal power is referent power, which is derived from the desire to be like the other person. This person has resources or personal traits that cause admiration in others, and the power comes from people trying to please the person they admire. Even if the individual wielding it is not in a formal leadership position, they are able to influence others in a similar manner, due to the charisma and popularity that they normally have (Robbins & Judge 2010: 207). Bass (1990: 235) reports on social experiments in which the test groups like people whom have been introduced as having prestige more than people who lack said prestige. This indicates that a certain amount of referent power is inherent in positions of higher rank in organisations and social hierarchies.

2.5 Internal Communication

Internal communication, employee communication and organisational communication are all terms used by different authors for the communication taking place inside an organisation. Internal communication as a discipline covers most of the communication framework existing between the managers and employees working within the same organisation. It covers both formal and informal communication, and all of their streams up, down and across the different business units and power structures (Stuart

et al. 2007: 194). For the purpose of clarity in this thesis, all communication taking place within an organisation will be referred to as internal communication.

Effective internal communication is an important factor in achieving desired business goals because it supports the efficient running of the organisation, aids in periods of organisational change and conveys the organisational vision, strategy and values. According to North (2014), internal communication is a vital part of employee engagement because when information flows freely within the organisation, employees are more aware of organisational endeavours and strategic decisions that affect their career, thus improving employee performance, retention and well-being. While the value of internal communication is recognised by most organisations, according to North (2014), employee surveys conducted by CIPD demonstrate that only one out of every ten employees feels that they are completely informed about what is going on in their organisation.

Smith (2008: 14) claims that many people have a misbelief that they are good at internal communications because "they talk to their people", and that this belief has an adverse effect on people performing the task as it is seen as a unremarkable skill. According to Smith, even though internal communication has a long and respected history, it is considered a young discipline. This youth is largely due to internal communication growing as an area of academic research only during the last two decades, and due to there being very few organisations with internal communication directors sitting in the boardroom. Smith (2008: 15) would improve the position of the discipline by highlighting its importance top down, thus emphasising the validity and importance of internal communication strategy on the ground level of organisations as well.

According to Stuart et al. (2007: 195), perfect communication would follow the five steps of the Transactional Communication Model (Figure 2): (1) the sender would express a message clearly, with out deceit, (2) the receiver would choose to listen and to decipher the message correctly, (3) the delivery method would meet the requirements of the message and the expectations of the receiver, (4) the message content would not be altered by any noise or interferences, and (5) the receiver would understand the message as it was planned by the sender.

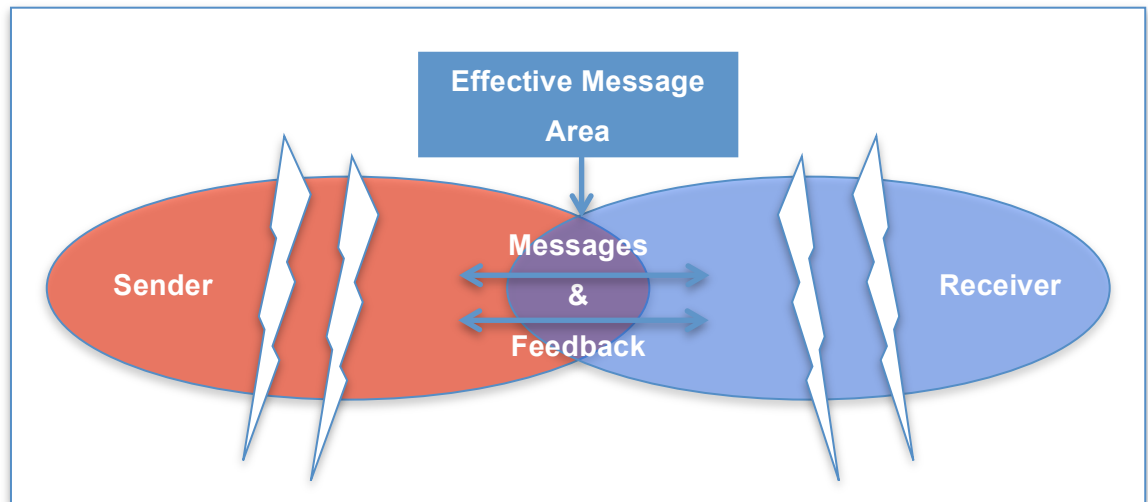


Figure 2: Transactional Communication Model (Stuart et al. 2007: 195)

Even though there have been increasing amounts of academic conversation and research interest in internal communication strategies, most companies do not immediately see the value of having formal strategies. Wolff (as cited in Huczynski & Buchanan 2013: 245) indicated this with a UK survey of 100 employers in 2010, where only 40 per cent of the companies surveyed had a recognisable strategy, but these 40 employers were also four times more likely to agree that having a clear strategy contributed to their success. The main functions of internal communication in these 100 companies were to update employees about organisational changes and strategies, offer information on policies and procedures, and to cultivate employee engagement. The most common internal communication methods mentioned in Wolff's data were department meetings, one-on-one meetings with line managers, team meetings, letters and memos, and email.

In Wolff's survey data (as cited in Huczynski & Buchanan 2013: 245) only one company out of 100 claimed to use internal communication to encourage innovation and to cultivate new ideas among staff. The survey also conveyed that the targeted companies did not commonly use social media communication methods such as Skype, instant messaging, internal blogging and online video.

According to Smith (2008: 4), the commercial sector has been faster at improving internal communication than the public and non-profit sectors, but Smith specifies that the size of the organisation is also a major factor in how easily internal communication can be developed. Slower development in large organisations and non-profit organisa-

tions is not only due to the number of individuals communicating, but also to the available funding.

In the introduction of Gower Handbook of Internal Communication, Wright (2009: 1-3) claims that the largest issue in top-down internal communication is reaching the audience, and that for a long time this fact was being ignored. In today's world this blind spot is impossible to maintain due to the invention of technologies such as the internet, which allow companies to receive data on how many views intranet posts and email links, for example, have had.

It seems logical to broadcast new corporate information internally first, just like a person would first inform the people closest to them about new developments in his/her life. Many organisations however are affected by the legal requirement of publicly announcing all matters that may affect the price of their stock, and thus these companies are void of the opportunity of first discussing the matter internally (Smith 2008: 3). This global spreading of corporate information also leads to employees finding out about organisational issues through external medias, and thus limiting the effect internal communication can have on the initial employee reaction. In situations where the organisation has no control over how employees find out about important organisational issues it is even more important to maintain two-way communication (Smith 2008: 3). With controlled internal communication, unnecessary misunderstandings can be eliminated and unpredicted reactions can be registered immediately.

2.5.1 Internal Communication Medias and Channels

The different medias used in communication can be divided into informal and formal communication channels, and into rich and lean media. Figure 3: Internal Communication Channels illustrates the divide between formal and informal channels, but is by no means an exhaustive list of the available channels. Rich and lean media are divided according to a variety of factors such as interactivity and speed of feedback, the amount of clues provided (verbal, kinetic, spatial), the ability to tailor the message, and the ability to imbed personal feelings and emotions into the message (Stuart et al. 2007: 13).

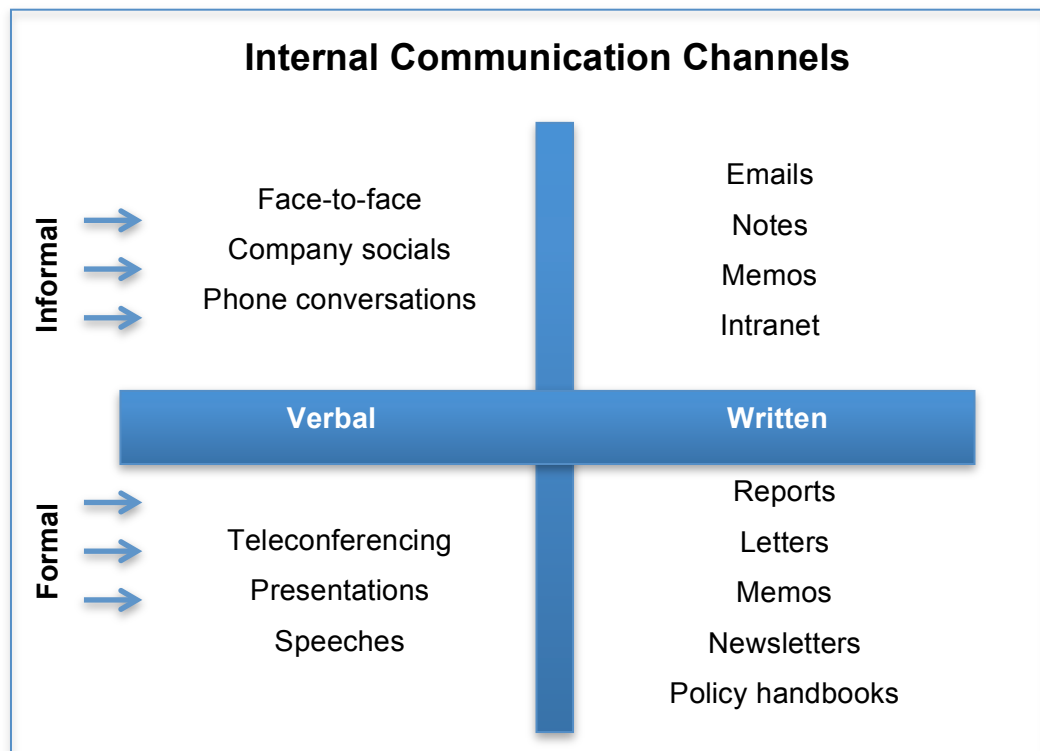


Figure 3: Internal Communication Channels (Stuart et al. 2007: 200)

2.5.1.1 Face-to-Face Communication

Face-to-face communication is considered the richest media available, as everything from the sender's facial expressions, body language, pitch and tone of voice can affect how the message is understood, while the location, time and situation in which the communication is taking place also add clues. The richness of the message does not always mean that it is conveyed correctly, and for example cultural differences in gestures and expressions can distort the message (Stuart et al. 2007: 197). Face-to-face communication is seen as the best method of influencing how a message is received, and the reactions (both non-verbal and verbal) of the receiver allow for instant feedback on the success of the sender. Face-to-face communication is commonly thought of as the best method to convey personal information that might have a negative reception.

2.5.1.2 Email

Email can be argued to be the most important communication channel, not because of its richness, but due to its popularity. In the results of a survey published in 2003 by Nowak (cited in Stuart et al. 2007: 204), 75 per cent of 400 respondents replied that they would be more troubled by not having access to their email than by not having

service on their phone. According to Taylor (2004: 46), the explosive growth of email has caused many issues along the way because originally there were very few standards and guidelines to writing them and because emails were perceived as informal communications channels. While they are still considered mainly informal, there have been developments in the structure of the formal email (which follows the same standards as business letters) and in the education of employees on what is appropriate email-conduct.

There exist many different types and styles of writing emails that affect the richness of the message, but in general it is a lean media (Stuart et al. 2007: 13). Email allows for interactivity and fast feedback, but not to the extent available through face-to-face communication, and is thus ranked as (a) low medium. Written messages in general offer few clues that help decipher a message. However, email is considered richer than most written media, because the message can be tailored specifically for the recipient(s) and it can be fused with the sender's emotions and opinions, due to the (generally) informal nature of the communication channel.

2.5.1.3 Telephone Calls

Telephone communication has only increased with the popularity of mobile phones and it is one of the most popular and effective medias in internal communication. A telephone call is a rich medium, because it is interactive, it includes many additional clues (such as pitch, pauses in speech, tone), the message is tailored to the receiver(s), and the sender's personal feelings can be deciphered. The use of mobile phones adds the aspects of where the individuals communicating are at the time and the distractions that one or both of them are subject to (Stuart et al. 2007: 198). Most companies use telephone calls for both external and internal business, and they are a fast and efficient means of finding out information and relaying it. The technological developments have also provided us with the opportunity of adding video feed to phone calls and thus add a limited amount of visual clues to the communication. The use of video-feed programs such as Skype and FaceTime is popular among some companies, but the majority of organisations have not adopted them as a part of their day-to-day communication (Wolff, as cited in Huczynski & Buchanan 2013: 245).

2.5.1.4 Meetings

Meetings on the other hand divide the opinions of the participants from extremely valuable to being a waste of time, but according to Stuart et al. (2007: 199), the number of meetings and their lengths was increasing, at least in 2007. Meetings are considered a rich medium, because they are a variety of face-to-face communication and provide all the same communicational aspects. The differences between the two are the recipients and the sender's ability to tailor the message to fit them all and to process all the reactions the message garners. Thus, doing sufficient groundwork before relaying a message in a meeting with several participants will reduce the possibility of ambiguity in the message conveyed.

In order to host a successful meeting Stuart et al. (2007: 199) suggest abiding the following guidelines:

1. Decide if the meeting will be useful for both you and the other participants.
2. Consider what you wish to achieve.
3. Outline realistic goals.
4. Keep the meeting on topic.
5. Engage the participants to contribute to the topic.
6. Ensure that participants will show up.
7. Send participants any preliminary information required in advance.

2.5.1.5 Memos

Memos are an old method of internal communication, which has evolved along with the technological advances: what previously was sent on paper is now delivered as email memos. The form of the message is still approximately the same, but the so-called high-impact memo style has become the most popular (Stuart et al. 2007: 204), as it requires 20 per cent less time to read (Clampitt 2005, as cited in Stuart et al. 2007: 204). A high-impact memo condenses the relevant information into short sentences and often uses tools, such as bullet-points, to present the main body of the message. Due to its condensed and straightforward style, memos are considered lean messages.

2.5.1.6 Newsletters

Newsletters vary a lot between different organisations, not just concerning the content and how often they are sent, but also according to the presentation. Some company newsletters are sent out daily or weekly and are short information packages on relevant topics, while other monthly or quarterly publications are often done in higher quality and contain more information on the topics that they discuss. Newsletters are often considered a useful tool to inform employees about organisational developments and to foster employees' relationship with the organisation (Stuart et al. 2007: 206). The information contained in a newsletter covers top-down and horizontal communication, and because there is an opportunity for feedback, they also provide bottom-up communication. Communication media newsletters are considered lean because, even though they can contain a lot of information and offer the possibility of feedback, the feedback is slow, the message generally does not contain many clues, it cannot be specifically tailored for the reader and it is not a channel appropriate to express personal opinions and emotions.

2.5.1.7 Instant Messaging

A rapidly developing communication media/medium is instant messaging. It has become one of the most common messaging channels in people's private lives and has also made a space for itself in internal communication. Instant messaging is seen as valuable due to the sender being able to see who is online and available (Stuart et al. 2007: 129), thus removing the need to wait for the recipient to notice and read an email, the inefficiency caused by sending a question (for example via email) to several recipients and having several spend time answering, or the trouble of calling different people in order to catch someone who is available (and having the others call you back at a latter time). Instant messaging is informal and tends to follow the same steps as a face-to-face or phone conversation would. The instant messaging applications on smartphones (such as WhatsApp) are changing the internal communication behaviour of employees. What previously was communicated during office hours is more and more often sent and received outside working hours. This behaviour has two major effects: the communication evolves into a casual affair that can build inter-organisational relationships and it can disrupt the work-life balance (Mahatanankoon 2010: 3).

2.5.1.8 Intranets

A somewhat new and constantly developing internal communication medium is the intranet, which in essence is the organisations own internal-internet. It is based on the same technology as the internet and is accessed via an internet connection. What sets it apart from the other online sites is its exclusiveness. Intranets are protected by different security systems that allow access only to distinct password protected accounts, thus allowing the organisation to dictate who has access, and to what degree. The intranet works much like the internet. It can hold a vast amount of data on company policies, process and product information, provide different services such as email, data-storage and search functions, and host chat rooms as well as messaging boards (BusinessDictionary 2015).

Intranets are useful for transferring knowledge within an organisation and for sharing updated information on current affairs (Stuart et al. 2007: 226), but while the intranet is rich with content and functions, medium-wise it is considered lean. The intranet is generally interactive, but the level of feedback is often limited to the areas designed for interaction. There are no clues to help the viewer to decipher the messages sent. Tailoring the message to a specific viewer is not possible, nor is the infusing of the main content with personal emotions and opinions. The intranet might provide a chat forum that allows employees to post personalised content, but these do not cover the general main functions of the media.

3 Methodology

The focus of this thesis is to discuss whether internal communication should be a valuable component in the organisational strategy formulation, implementation and execution processes. The study has been carried out as a combination of literature based research and primary qualitative research. The findings of the secondary research are discussed in the Theory and Discussion section of this thesis. The rest of this section will concentrate on explaining the usage of qualitative research and the validity of the data acquired. The primary research was conducted by the means of two interviews, and the data gained from them was compiled into the two case studies presented in the Case Studies section of this thesis.

Qualitative research can be defined as exploratory research that is used to gain an understanding of underlying reasons, opinions and motivations, allowing the researcher to delve deeper into the problem (Wyse 2011). Case studies are commonly used in qualitative research, and Sage (2012: 9) defines them as the analysis of one or several unique cases, with the main focus of the questions, observations and analysis centring on delving deeper into the unique features of the case(s).

There were several reasons for choosing a qualitative research method, first of which was its popularity in the literature studied on the topic of internal communication. Qualitative research methods were used both by scholars whose works are referred to in the literature review and in the secondary research mentioned in the literature that was studied. However, many of the studies combined qualitative and quantitative research and verified the results of the qualitative data by comparing them to statistics. This combination of quantitative and qualitative data would have been ideal also for this study, but due to the finance and time constraints on this research project, the scope was kept small.

The second reason was the size of the sample, and as Silverman states (2000: 42), in qualitative research it is better to have a limited body of data in order to properly analyse the results. Much of the research combining quantitative and qualitative research is conducted in collaboration with large organisations or institutions, thus allowing access to statistics that are typically not available to external researchers. Due to lacking a collaborative organisation, conducting a large enough quantitative research to provide usable data was not a valid option leaving a qualitative solution as the best

choice.

The third and most important factor supporting the choice of qualitative research was the nature of the information being sought. The aim of the research was to gain further understanding about the value placed on internal communication by empowered employees working in knowledge-based organisations. To get a comprehensive understanding about the thoughts and values of the individuals interviewed, it was seen as best to use a qualitative method that provides deeper understanding of the opinions of the interview subjects (Silverman 2000: 8). Qualitative research is better suited to reveal a cause-effect relationship and to bring to light the reasoning behind people's actions and choices than exclusively quantitative data. According to Silverman (2000: 4), researching reasons behind human actions by the means of quantitative research leaves the option of an 'antecedent' variable, and thus certain correlations cannot be made with certainty.

Interviews were seen as the best method of obtaining the information desired for this study, even though interviews have been argued to produce unreliable results. One of the most common arguments on the unreliability of interview results is that the interview subject tries to present information in a way that reflects favourably on them (Silverman 2005: 8). The questions regarding the reliability of interview results are often disputed by comparing them to quantitative data, but, as was discussed previously, this was not possible in this thesis study. Thus, a level of criticism was maintained while evaluating the interview results.

In qualitative research it is imperative to keep the amount of data limited, but it can still be argued that a sample of two interviews is not large enough to make generalisations. However, Silverman (2000: 103) argues that an in-depth analysis of even just one carefully chosen case study has representative value. The interview subjects of the case studies in this thesis were specifically chosen because of their specialised knowledge. The first interview subject has studied communication in an academic environment and worked as an external communication coach, the second subject has extensive experience in the practical aspects of internal communication and demands efficient and transparent communication in order to excel at work.

The two case studies complement each other by covering different aspects of the same issues, and their main function is to provide a representative view on how the value of

internal communication is seen by individuals working in internal communication related professions, and to offer up-to-date, real life examples of the opinions, ideas and methods that are popular among the groups represented by the interview subjects. The case studies and the literature review presented in the Theory and Discussion section support each other and together they build the basis of this thesis.

4 Theory and Discussion

This section takes a closer look at the concepts introduced in the literature review and discusses them in the context of whether internal communication should be included as a valuable component in organisational strategy. The objective is to build the theoretical framework which will be used to analyse the primary research and which will provide the basis of the arguments presented in this thesis.

The predominant scholars on the topic of strategy mostly agree that a strategy aims to gain sustainable competitive advantage, and for it to succeed, many things need to be done well. Porter (2001: 10) pointed out that operational effectiveness can only be considered a competitive advantage if it is sustainable and the level is higher than the competitor's. Coulter (2010: 5) and Barney (1995: 50) argue that to succeed the strategy needs to be built on internal strengths and that acting on it is just as vital as devising the strategy. From Porter's, Coulter's and Barney's (1995: 50) claims it can be deduced that for internal communication to be considered strategically valuable it needs to provide sustainable competitive advantage, and to do so it needs to provide high levels of operational effectiveness and deemed an internal strength of the organisation.

Porter (1987: 1), Stacey (2003: 53) and Coulter (2010: 7-8) brought up the point that a strategy needs to be broken up into smaller functional and operational strategies, which are then implemented into different parts of the company where they are translated into departmental short- and long-term goals. During this process of translating the strategy into different departmental goals and the operational strategies, a unified direction needs to be maintained. Staying in accordance with the higher-level strategies can easily be supervised, but to ensure that the organisation stays operationally effective, by not pursuing conflicting departmental actions to reach department-specific short-term goals, requires efficient channels of internal communication.

Stacey (2003: 53) suggests including safeguards to ensure that the strategy is carried out as designed and that the results are desirable. These safeguards need to be created and continuously adjusted, thus requiring employees to work together across departments and business units. To enable to transfer the relevant knowledge across the organisation there needs to be channels through which to send and understand both explicit and tacit knowledge efficiently. If the communication does not function properly the safeguards will not be attuned with each other and the effects of the strategy

will not be monitored properly, which can lead to flawed strategy execution.

Keeping the employees properly informed on the short-term goals and on the importance of keeping their actions aligned with the overall objectives of the business unit is another important factor in the success of a business unit strategy. If the employees making decisions on how to achieve the short-term departmental goals are not aware of the higher-level objectives they might take actions that hinder reaching them, or hinders the ability of another departments similar aims.

Strategic HRM generates behaviours and competencies desired by the organisation (Dessler 2013: 18), and, according Wright and McMahan (1992: 299), HRM practices should be coordinated throughout the strategy process to generate the desired results. Internal communication plays a vital role in both generating desired behaviour and in coordinating organisational processes, and it is even more relevant when the goals involved concern a large portion of the organisation.

Pfeffer (2002: 62) and Wright et al. (1993) argue that the growing value of employees and HRM has shifted the traditional ideas on how sustainable competitive advantage is gained, and that human resources can be a source of sustainable competitive advantage. Wright et al. go further in arguing that because organisations require people with different skills to fill different positions human resources can be valuable, rare, inimitable and non-substitutable, thus filling the characteristics of sustainable competitive advantage defined by Barney (1991: 105-6).

Wright et al. (1993: 18) argue that the sustainable competitive advantage generated by HRM practices is demonstrated in an organisation's operational effectiveness, and that motivated and knowledgeable employees can improve the company's ability to notice environmental changes, create new strategies and implement them fast, thus helping the organisation gain a head start on its competitors. This can only be accomplished in an organisation were internal communication and knowledge transfer processes are operating smoothly, thus making internal communication a valuable component in creating and maintaining such an advantage.

The vital resource of knowledge is generated by employees, communicated by employees, and applied by employees, thus there needs to be effective and reliable internal communication to harness the value it adds to an organisation. Both explicit and

tacit knowledge, as discussed by Grant (2003: 207), need efficiently functioning internal communication. Explicit knowledge needs to be shared fast to ensure that the organisation is operating on updated information, while tacit knowledge needs internal relationships to have strong and reliable channels and processes through which it can be transmitted and understood.

In Grant's (2003: 204-5) list of the pillars of the "New Knowledge Economy" he mentions intangible assets, utilising interconnectivity, information processing, and the rapid pace of change produced by innovation, all of which need internal communication to function smoothly and rapidly in order to be operationally effective. There needs to be internal communications channels in place to promote connectivity, employees trained with the relevant communication skills, monitoring of the virtual environments to protect from leakage to external channels, and they all need to keep up with the pace of the innovation and short product life cycles.

The assumption that managers can easily attain information from employees is prominent in hierarchical managerial theories, such as the scientific management theory, but it only applies to tasks that are simple and require little skill or tacit knowledge (Grant 2003: 207-8). With the growing importance of knowledge this no longer is the case and employees can be considered to be a valuable asset (as was argued by Wright et al. 1993), and organisations spend a great deal of resources on trying to retain employees with valuable knowledge and on trying to document and spread the knowledge. The TQM theory suggests empowering employees and moving decision-making to them, thus eliminating the expensive transfer of tacit knowledge and minimising the possibility of making uninformed decisions.

The growing value of expertise power is tied to the growing value of knowledge and to the value of the human resources of an organisation. The more expertise an organisation can accumulate and successfully spread internally, the greater chance they have of gaining sustainable competitive advantage.

Granting decision-making power to employees adds significantly to the importance of optimising the internal communication processes and channels on a strategic level in the organisation, as the decision-maker needs to have access to information regarding other parts of the company that may be affected by the decision. Robbins and Judge (2010: 64) claim that noticing the need for a new solution is one of the major issues in

organisational decision-making. Following the logic of TQM theory, where it is believed that the person directly involved with the issue is the most qualified to make the decision, the first person to notice a potential problem is the person who's work it affects.

Regardless of where in the organisational hierarchy the decision-making falls, the decision-maker needs to have a well rounded understanding on the situation and on the strategic goals of the departments affected by it in order to make the best possible decision. To gain the understanding there needs to be information available and channels through which to consult other employees.

The negative organisational constraints affecting decision-making can be minimised by well functioning internal communication, as a relatively free flow of communication makes it more difficult to filter results and information that an employee or manager would not wish to present to superiors, thus allowing decisions to be made in the organisations best interest (Robbins & Judge 2010: 209). With different powers and influential individuals and groups working in an organisation, information sharing is once again an important topic, as it allows people the opportunity of finding information and support independently and thus diminishes the risk of them blindly following the opinions and interests of others.

Maintaining open and well functioning internal communication channels also makes it easier for an organisation to root out misconduct and tackle cases of employee dissatisfaction before they harm the organisation's public image, because the issues are more likely to be discussed if there are easy channels through which to bring them to light. The same type of communication allows a larger portion of the organisation to benefit from the expertise and/or leadership skills of individuals and help the organisation in recognising highly talented employees.

While companies tend to see how internal communication is vital to organisational success, according to Wolf's survey (as cited in Huczynski & Buchanan 2013: 245) they seem to be taking it for granted, and thus fail to take advantage of the value it could add. Internal communication offers many opportunities and solutions that are ignored by the majority of organisations even though it has been proven that employees whom are aware of the organisational endeavours and strategic decisions of their employer perform better at work, are more likely to stay in the organisation, and are more happy at work (North 2014). In addition to the more traditional advantages of well function-

ing internal communication, it can be used in things such as exploring new ideas and increasing innovation. These functions are not commonly utilised to their full potential, which might be due to companies viewing the creation and maintenance of such tools and processes as an expense that does not offer quantifiable returns.

The benefits and importance of internal communication has been noticed in parts of the commercial sector (Smith 2008: 4), which is a clear indicator that they do produce valuable returns to the organisation. Also, for example, the platforms designed to generate innovation have become easy to acquire and can be imbedded into an organisation's intranet. The challenge of the organisations lays in encouraging employees to use the platforms and in acting on the ideas generated. These types of platforms can are harder to maintain for large organisations, but they are also the ones with the largest pool of educated minds providing ideas.

Change management is an area where the value of internal communication has always played a vital role, and while its function is still very similar, the growing number of external information sources and interconnectivity has emphasised the importance of dialogue (North 2014). The rapid pace of technological advances and shorter product life cycles cause changes to take place faster, with less time for organisations to control the situation (Grant 2003: 204). The pace and uncertainty of the changing environments make it vital for organisations to build and maintain a working dialogue with their employees, and thus be ready to employ it in a situation requiring immediate two-way communication with their staff.

5 Case Studies

5.1 Research Design

The primary research in this thesis is conducted through interviewing two individuals with varying backgrounds and experiences with internal communication. The responses have been compiled into two case studies that are concerned with the value of internal communication in a knowledge-based organisation.

The first interview was with Markus Talvio on the 10th of November 2014, it lasted approximately 60 minutes, and took place at the Helsinki University Faculty of Behavioural Sciences campus. The second interview was with Nina Kantele on the 19th of November 2014, it lasted approximately 45 minutes, and took place at Kantele's residence in Espoo.

Talvio works for the Helsinki University Faculty of Behavioural Sciences and on the 29th of November he successfully defended his doctoral thesis titled *How do teachers benefit from training on social interaction skills? - Developing and utilising an instrument for the evaluation of teachers' social and emotional learning*. Talvio was interviewed due to his specific knowledge about the internal workings of communication in the educational system, and due to his academic and behavioural sciences approach on the topic of communication. Talvio also works as a communication and behavioural consultant and supervisor for external clients, such as the city of Espoo (Finland) and the Helsinki University Department of Teacher Education. Talvio is an example of a highly educated individual working in a knowledge-based industry with a specialization in social interaction.

Nina Kantele is a licenced real state agent with over 20 years of experience in her chosen field. Kantele has worked in various real estate agencies in Finland, before starting her own company under the corporate umbrella of RE/MAX Finland. Kantele was chosen as a case study because real estate brokering is a business where efficient and transparent internal communication plays a vital role in the sale of properties and in the legal requirements of the industry. Kantele, in contrast to Talvio, gives a practical rendering of the workings of internal communications in a highly competitive and knowledge-based industry. Kantele's testimony is valuable as a case study due to experiences and observations during her long career in the real estate industry.

Both interviews consisted mostly of open-ended questions, with some close-ended questions for the sake of clarification. The general framework of the questions was defined according to the literature review that had been completed by the time the interview took place. As the interviews progressed the conversations took very different routes, mostly due to the contrast in the interview subjects specialities and experiences. New questions were also asked in accordance with the interview subject's reactions or comments on the topic being discussed.

The questions posed can be divided into three parts, the first comprised of questions on how internal communication has been conducted in the organisations the subjects have worked in. This was to gain an understanding on what types of internal communication cultures the individuals had worked in and which communication media and channels they were most familiar with.

The purpose of the second part of the questions was to find out the interview subjects' opinions and observations on the functionality of the internal communication practices and methods used in the organisations the subjects have worked in. The third part was aimed at understanding the interview subjects' views on employee empowerment and autonomy.

5.2 Data

5.2.1 Case Markus Talvio

Talvio has worked as a lecturer at both the University of Jyväskylä (for 5 years) and the University of Helsinki (for 8 years), he also does consulting, training, coaching, evaluating and researching work for client companies through his own company, Talvio Oy. Talvio wrote his doctoral thesis on the benefits of training teachers on social interactional skills, and due to his research and personal experiences, he has strong views on the methods used in communication and the value of employee empowerment.

5.2.1.1 On Communication

Talvio states that face-to-face meetings are the best method of communication. According to him, technology helps communication by making it faster and easier, but not better. He recalls his own work in groups of people from various continents. He found the groups that had met in person had an easier time creating a connection which made working together through the use of emails and Skype calls much faster

and easier than in with the groups that had never met face-to-face. According to Talvio, it can be very cost-effective to have the group members meet first, thus enabling the latter planning and work discussions to flow smoother. Only working together via remote communication devices tends to leave room for misunderstandings.

Another example of the power of face-to-face meetings, which Talvio brought up, was from the period he worked for Nuorten Keskus (The Evangelical Lutheran Association for Youth in Finland). During this period their first priority was to engage young people to vote and to stand for election in the church elections. The problem was that candidates under the age of 21 were rare, and thus the young churchgoers generally did not vote at all. The program received ample of funding from the Ministry of Education for the task of engaging young people in church politics and funding the election campaigns of young individuals. At the time candidates under the age of 21 were uncommon, and thus young voters often did not cast their votes.

During the program Talvio says that there was intensive communication between the young church members, the church, the government and the program leaders, but the single most effective method was a meeting, held by Nuorten Keskus, where they invited a few young people interested in candidacies. Soon these young individuals had founded their own association, roughly translated to "Change makers", and had over 50 people from around Finland involved. This one face-to-face meeting between the candidates sparked a movement, which also had a positive effect on the discussion of lowering the voting age of the church elections to 16. Even though much of the latter communication was through other means, the original spark was light in the first proper face-to-face meeting. This experience strengthened Talvio's belief in the value of communicating face-to-face, even between the communication technology-savvy youth.

Talvio believes communication should always be two-way, that there should always be a channel for feedback. He finds it important that there is dialogue between the parties involved enabling them to create something new together. Taking a moment to reflect together on how the new information affects work and what were the most important points, or in the very least having the party whom is receiving information repeat it back the way they understood it, minimises misunderstandings drastically. According to Talvio this type of dialogue allows issues to be dealt with immediately, and removes

the possibility of the receiving party misunderstanding the information on purpose. An important part of both giving and receiving information is attitude and respect. Normally, if both parties respect each other they also want to understand each other, thus making the short recap at the end of a discussion an easy 'failsafe'.

When inquired about the means of communicating a new idea within an organisation, Talvio once more returned to the value of face-to-face communication by stating that it is required in challenging interactional situations. Talvio clarifies that in any situation it is important to understand what types of emotional reactions the information may incite, and the only way to know what reaction the information has garnered is to witness the reaction of the receiving party. When the information being conveyed is a question of facts or information where little emotion is involved, one-way communication can suffice. A group email can be an efficient method of reaching many people, but there is no guarantee that all the parties read the information. The main issues in choosing a medium of communication is the value of the information, and the importance of it being understood correctly. By sharing information, for example by hosting a lecture or information session, the person conveying the information can make sure that the idea or concept has been understood correctly, and by having an opportunity for questions at the end of the event all potential issues among the audience can be dealt with immediately.

Talvio emphasises the value of two-way communication and says that while it is understandable that in large companies it is not always possible to have direct communication with the person relaying important information, it is important to have someone physically present, to whom you can express yourself and who can help you understand the message. Employees having no method of responding to information can cause a lot of unnecessary bad will at the workplace.

Talvio's doctoral thesis work involves educating teachers on social and emotional learning, but his work in the private sector has also inspired his interest in the topic. His experience is that companies always want to hear more about promoting wellbeing through communication. The five elements of social and emotional learning, discussed in Talvio's thesis work, include responsible decision-making and group skills, both of which are very important in any type of work. People spend a great deal of their time at work and Talvio believes that by using and improving these skills, employees will

feel that they are included and respected in the work environment. Teaching group skills, for example, improves working together and solving problems in a respectful way, which helps people feel that even though they disagree, they can still find a solution to problems.

Talvio is convinced that the use of the right types of internal communication styles and methods promotes the feelings of competence, autonomy and relatedness in employees, which in turn creates an working environment where employees feel more accepted and relaxed. This type of environment makes it easier to give and receive feedback and increases performance, which in turn boosts intrinsic motivation and the feeling of unity and acceptance.

Talvio believes that organisations should invest in social and emotional learning, regardless of the company size or the industry they operate in. He has had positive experiences with both management level and blue-collar employee trainings. Managers most often want further training on how to negotiate difficult situations with employees who need to feel respected, how to discuss challenging issues, and how to promote employee wellbeing. The trainings can have a positive effect on the managers' everyday actions and leadership skills, but they tend to be most valued in difficult and unexpected situations. Having a theory or framework that you can utilise in a challenging situation can make a difference, as it can minimise damage to the company or even salvage a potentially disastrous situation.

In Talvio's experience blue-collar employees and their employers have benefitted the most from external communication trainings. Talvio used the example of one of his former clients: a roof paving company came to him because they felt like they were losing business due to the behaviour of their employees towards the employees of the other companies operating in the construction industry. During the training Talvio found out that the employees did not view their actions as rude, but had a culture of being very direct with each other and did not understand that their behaviour was perceived as insulting by the other construction workers. After the social interaction training the company received more business than ever before, and the managers were surprised by the drastic difference the manners of their construction workers could have on business.

In his doctoral thesis research Talvio uses Gordon's (2003) list of 12 communicational roadblocks between teachers and students. According to Talvio, most of them are applicable to internal communication. Some, however, are not, due to most of the people in working environments being civilized, educated and polite.

In his consulting work Talvio most often runs into the issue (roadblock) of people feeling like they are not being listened to. This is generally caused by the other person assuming they understand what is being communicated, and thus do not properly listen to the issues at hand. These are also the most difficult roadblocks between superiors and employees that Talvio has been faced with, because setting up a new meeting for an issue that the superior thinks is already solved can be very hard. The employee might simply leave the issue unsolved, which can cause damage to the work and the working environment. In psychology it is referred to as having a schema in your mind; you fit another person's comments into your schema, and if they are not a perfect fit you modify them so that they are. If these types of miscommunications are commonplace within the workplace the effectiveness of internal communication will suffer, due to people not communicating issues for the fear of being ignored.

5.2.1.2 On Autonomy and Decision-making Power

According to Talvio, there is always a cultural aspect to communication. For example, in Sweden it has been more common to discuss and to try and find consensus, while in Finland it has been more typical for the leadership to make decisions that the rest of the employees simply need to follow. As an example of the difference Talvio used the merger of Telia (Swedish telecommunications company) and Sonera (Finnish telecommunications company), now forming TeliaSonera, during which the distinct leadership styles within the two major companies caused a lot of confusion. Talvio recognises that decision-making is a lot quicker when you do not listen to everyone, but believes that even though the "Swedish" method takes more time, it ensures that employees are involved, thus creating a feeling of organisational unity. According to Talvio the approach of involving employees in decision-making is growing more popular in Finland, due to there being more and more companies where expertise is not easy to share, and thus the management does not know all the details pertaining to the work affected by the decision.

Involving employees in decision-making is one way of improving employee wellbeing, but another important aspect is autonomy. On this topic Talvio refers to self-determination theory and says that one part of feeling well is feeling autonomous. According to him a superior can easily support employee autonomy by simply not always giving straight answers or orders on how to handle an issue, but rather supporting the employee in finding his or her own solution. Sometimes direct answers are the only solution, but encouraging employees to develop their own way of doing things gives them the feeling of competence. Talvio says he himself prefers to guide from behind the scenes in a supportive capacity, while letting the employee act. Talvio also clarifies that by no means does he mean that the person is left alone with the problem, but that the ultimate decision is made by the employee, thus motivating him or her intrinsically with the experience of success.

5.2.1.3 On the Value of Internal Communication in Finnish Schools

In his research Talvio discusses growing autonomy of teachers and students. As teachers gain more responsibility for the classes they teach, they also have more autonomy on decisions that need to be made, and the same works for students who are allowed to have a larger say in which subjects they wish to concentrate on. Talvio sees school as the first real experience children have with internal communication, and teachers as the first example on how to communicate properly to large audiences and new people. Thus he believes that educating teachers to be the best possible communicators, not just to their students but also to the rest of the faculty, improves the level of the communication skills of the future generations.

According to Talvio the hierarchies at Finnish schools are very lateral, and even though the chain of command goes all the way to the Ministry of Education teachers work together very democratically. The school strategy is based on a national curriculum set forth by the Ministry of Education, but each institution makes its own modifications to it, thus differentiating themselves from the rest of the schools in the area that they operate in. These modifications and specialisations are planned together by the school faculty and even involve the parents of the students. Talvio believes this planning process to be the best example of teachers working together to add value to their organisation: the better the faculty can communicate with each other and the freer they are to express themselves, the better a curriculum and school environment they can build. Talvio also reflects that the teachers' ability to work together makes it easier to attract

and retain valued employees. Every teacher with a special skill can add to the overall selection of courses offered and teachers working together can offer excursions and extracurricular choices that are not regularly available, thus improving the schools appeal to students and parents.

Talvio's own experiences with rebuilding school curriculums and bringing forth new ideas to the faculty have been very positive. Talvio always tries to take up matters face to face with the relevant individuals, whether they are school faculty, students or parents, but remarks that sometimes getting people into a meeting has been challenging, thus he places significant value on the meeting-invitations he sends out. Talvio's first step in sending a meeting-invitation is to consider that the time and location are practical, depending on whether the recipient is a faculty member, student or parent. The second step is to spark an interest with relaying the topic of the meeting, but not revealing too much, thus making it necessary to join the meeting to find out more. Talvio's method works well for him, but he comments that the meeting needs to be of value to the individuals taking part, as no one appreciates wasting time at unnecessary meetings.

5.2.2 Case Nina Kantele

Nina Kantele works as an independent licenced real estate agent at RE/MAX Finland, the office she works in is called RE/MAX Royal Collection (RE/MAX Royal) and it is on Unioninkatu in downtown Helsinki. Following her graduation from high school Kantele has completed the Finland Chamber of Commerce's examination for real estate agents, and keeps herself up to date with trainings on the new issues affecting the legal and commercial environments of the real estate market. When Kantele was 24 she founded a clothing boutique (Poco Bello) in downtown Helsinki and continued to run it for 4 years. As a real estate agent Kantele has been working for 23 years and at RE/MAX for 3,5 years. During her time at RE/MAX Kantele has been acknowledged for her work several times, the latest of which was at the nation wide RE/MAX Annual Awards where she won second place for commissions received in 2014 and RE/MAX Royal won the title of most efficient office of 2014.

RE/MAX opened their first office in Finland in 2006 and is currently the world's largest real estate franchise company with a market leader position in 13 countries. The RE/MAX business model makes almost every employee an entrepreneur and allows them to conduct business on their own terms, with the additional advantage of being

backed my a multinational corporation. By using such a business model RE/MAX believes they attract and retain the industry's best performing agents and producers, and that these highly motivated agents, and the entrepreneurial corporate culture, are at the core of the company's global success (RE/MAX 2015).

5.2.2.1 Communication Mediums

According to Kantele, communication at RE/MAX is very easy and transparent, and most of the communication with the other agents and the management is done by email, phone calls and face-to-face discussions. RE/MAX Royal is located in the same office space as the national headquarters, thus allowing Kantele fast access to the national decision-makers of the company. Kantele describes the culture of the offices as relaxed, and if she has an idea or issue she wishes to discuss, she can at any time simply approach the person responsible and express her thoughts.

The agents at RE/MAX Royal have biweekly meetings where any collective and non-urgent issues are discussed. Kantele finds it refreshing that there are not excessive meetings or collective discussions on issues that do not concern the whole office, and that urgent business is taken care of immediately. This frees up the agents time to work instead of needing to wait for a group meeting to get approval, or needing to waste time in endless meetings concerning issues irrelevant to her work.

RE/MAX Finland sends a weekly newsletter that contains the on-going weeks main information on the company and the industry. According to Kantele, the newsletter is brief and to the point. For in-depth information and faster updates Kantele uses the RE/MAX intranet, which has a vast array of material and news, and is constantly up to speed. The intranet has all the information about the properties on the market, the current legal cases and issues, as well as any other information that is viewed as relevant to the real estate industry, both globally and nationally.

The intranet is a particularly important tool for Kantele because it hosts the listing of properties being sold 'quietly', meaning that the properties are not publicly available on the various online property listings (such as Oikotie.fi or Etuovi.fi). You can add a new property to the intranet listing at any time, not only because you wish for a quick sale, but because all the properties on the market need to be available for all the RE/MAX agents at the same time.

5.2.2.2 The Advantages of Efficient Internal Communication at RE/MAX Finland

According to Kantele working with RE/MAX agents is very easy, because they are true professionals who know the Finnish real estate field very well. They have common RE/MAX rules and guidelines that all the agents understand and follow, allowing them to minimise unnecessary work. Kantele believes that the productivity of the agents working in the same office as her is partially due to them having a similar, quick-tempered, 'get things done' attitude, which allows for fast actions and decisions, with minimal discussion.

Kantele emphasises that the transparent, straightforward and rapid communication between real estate agents is vital to doing successful real estate brokerage business. All the details of properties being sold need to be available to everyone in all the RE/MAX Finland offices at the same time, as it grants everyone equal opportunity and maximises the prospect of finding a buyer fast.

The agents working at RE/MAX are independent entrepreneurs whom have all agreed to play by the RE/MAX rules, if an agent does not follow the rules they are stopped immediately. According to Kantele breaking the rules is uncommon due to all the agents understanding that the rules and protocols are in place because of to the large sums of money they deal with, and the hefty commissions the agents earn from the transactions.

RE/MAX Finland also has specific guidelines for internal and external communication, which dictate things from the signature at the end of an email to what and how agents are allowed to express themselves in said emails. Kantele sees these rules as a valuable asset rather than restrictions, as the common structure of the messages makes it easier to see all the relevant information quickly and minimises the chance of misinterpretation.

While RE/MAX offers a great deal more freedoms to its agents than any of the agencies Kantele has worked for previously, even at RE/MAX she needs to get approval if she wishes to do something new or out of the ordinary. As an example of what would be considered unorthodox Kantele used a specialised, small-scale ad campaign in the neighbourhood surrounding her office.

Kantele believes that the main differences between her former employers and RE/MAX stem from the agents at RE/MAX being independent entrepreneurs whom are given freedom and decision making power. Because the agents are entrepreneurs they receive most of their income from commissions, as opposed to other real estate agencies where the compensation model consists of both monthly salary and commissions. The monthly salary often means that agents are tied to certain working hours which they need to spend at the office, which in turn means attending unnecessary meetings and sitting at a desk twirling thumbs in order to fill the quota hours.

Being an entrepreneur also means that the agents take on a certain amount of responsibility, which in turn removes the need for excessive reporting and the need to seek approval for every routine matter. Kantele found that the efficiency of making a sale at her previous employers was hindered the most by the constant need for approval. Approvals were required for every step of an agents work, and most of the time the agents needed to wait for it (sometimes excessively). The constant requests of approval also caused additional work for the person charged with reviewing and granting the approvals.

Kantele believes that the decision-making power, compensation model and transparent communication make RE/MAX successful and an enjoyable place to work. Due to the entrepreneurial environment in the company, agents communicate efficiently and don't waste each others time. This not only allows Kantele to make more sales than before, but grants her more leisure time as well.

5.3 Results

The Talvio case study provides an in-depth view of a highly educated and academic individual on the issues surrounding internal communication. It is apparent from the case study that Talvio has a great deal of autonomy in his tasks and that he works in an environment with a very horizontal hierarchy. His primary internal communication concerns centre on employee well-being, building effective communication relationships and educating employees on social and emotional skills.

Talvio is adamant on the value of communicating face-to-face. He sees it as the only channel where the sender can properly express their self, where the receiver has the best opportunity to understand the message, and where the discussion can be followed by sufficient feedback. Talvio sees feedback as the best method of guaranteeing

understanding and goes as far as suggesting that the recipient always repeat the information to the sender the way they have understood it. Talvio's enthusiasm on the topic of feedback relates to his experiences in consulting companies with internal communication problems.

His experiences suggest that the companies that seek external help in internal communication matters have issues in operational performance and employee well-being, which has led to extra costs and loss of business. These companies are most likely ones where internal communication has not been considered a value-adding component of HRM, and has been limited to mean the internal messages sent horizontally and top-down.

Talvio, like most other communications and HRM scholars, believes that internal communication promotes feelings of competence, autonomy and relatedness, which in turn improve performance, motivation and satisfaction. His ideas and opinions suggest that internal communication should work on many levels in order to bring forth the beneficial outcomes it can produce, thus supporting the claim that internal communication should be included in the strategy formation and implementation processes in order to reach a higher level of operational efficiency.

Talvio's experience with companies wishing to learn more about promoting well-being through communication, indicates that there is an increasing number of companies recognising that managing it in a strategic manner provides them with additional value. Talvio did not indicate that the organisational value of effective internal communication would be limited to any specific industries or organisation types, and he seems to view it as a prerequisite for employee well-being in all organisations.

The changes of the growing value of knowledge are also apparent in Talvio's testimony as he discusses the changes in Finnish decision-making styles. He sees the process of decision-making and the transfer of expert knowledge as yet another reason to improve inter-organisational relationship building through training in social and emotional communication.

From the Kantele case study it becomes apparent that Kantele is a very goal-oriented and motivated real estate agent, who values efficiency in her working environment and maintains a healthy work-life balance. She excels in her work, and much of her current

motivation and enthusiasm towards work is clearly correlated to the organisational culture present at RE/MAX and in particular at the RE/MAX Royal office.

Kantele is a prime example of an individual working in a knowledge-based industry. She has a skill-set built from both explicit and tacit knowledge that takes years to acquire, an extensive professional network, and is the most knowledgeable decision-maker regarding the decisions she faces in her daily work. According to Kantele's testimony, the other agents at RE/MAX have a similar results-oriented mind-set, suggesting that RE/MAX actively seeks out the highly talented and motivated individuals and that the ones who fit into the organisation thrive and further add to the culture. RE/MAX seems to offer a blend of autonomy and support that brings out the best performance in employees of Kantele's nature.

RE/MAX contributes its' continued success to the agents working for them, which further suggests that they are a company which has taken HRM onto a strategic level and have built their competitive advantage on attracting and retaining the most productive agents working in their operational locations. RE/MAX's franchise concept allows them to grant agents a level of autonomy that is not available to agents in competing firms. Through the agent autonomy and the optimised internal communication channels and medias, RE/MAX has been able to minimise unnecessary work and create a working environment that promotes employee satisfaction and productivity.

While RE/MAX gives its agents considerable autonomy, the guidelines and rules that they do enforce are aimed at optimising operational effectiveness. One of the functions they regulate is internal communication, and the regulation is not limited to ethics, legalities or controlling leakage, but goes further to ensure that the communication taking place is transparent, easy to decipher and rapid. They have accomplished an environment where internal communication is easy and fast through and across all the different operational units and sectors of the organisation. Kantele seems particularly appreciative of having easy and functional channels through which she can directly contact the relevant people, and of the minimising effect this has on the amount of additional work that is required of her.

A further indicator that the internal communication channels and medias used at RE/MAX are effective is the way Kantele describes her usage of them: email, telephone and face-to-face meetings for direct two-way communication, newsletter for receiving

top-down information, intranet for updated information on properties, organisational issues and for giving feedback on them, and the bi-weekly meetings for un-urgent inter-office matters. All the channels have clear functions, thus eliminating the need to search for the correct source of information.

6 Conclusions

Analysing literature on the topics of strategy, strategic HRM, knowledge, decision-making and internal communication has given us an understanding of the issues relating to the value of internal communication as a component of organisational strategy. It has become beyond apparent that the means through which this value can be obtained is by providing organisations with improved operational effectiveness and employee well-being.

The results of both the primary and secondary research of this thesis have provided evidence for four key arguments on why internal communication should be considered a valuable part of strategy formation, implementation and execution.

The first argument is internal communication's ability to provide sustainable competitive advantage through optimising operational effectiveness. The effectiveness is derived from the internal communication channels and medias working effortlessly, and allowing the communication between organisational operations to flow seamlessly. The level of high operational effectiveness can be an inner strength of an organisation and thus an aspect of their strategy, but organisations where it is not an element in the strategic goals need to see its value as a component of the strategy processes.

Secondly, internal communication enables the efficient transfer and retention of knowledge within the organisation. Knowledge and information are considered extremely valuable resources in today's business. Thus, the operational framework of internal communication, which allows the efficient sharing of knowledge, plays a vital role in the advantages that an organisation can create from the knowledge they possess.

Thirdly, internal communication should already play a major part in the successful translation of organisational strategy into functional and operational strategies and goals, thus including it in the other parts of the strategy process will only improve the operational effectiveness of the organisation, whether or not it already is an internal strength of the organisation.

Fourthly, organisations with tasks requiring expertise that is not readily available need to attract and retain highly talented employees. A sustainable method of doing so is through internal communication, which has been proved to enhance employee well-

being by promoting the feelings of competence, autonomy and relatedness, which are known to increase employee performance, motivation and satisfaction. By combining the benefits of internal communication with other HRM policy, an organisation can build a working environment that promotes employee well-being, productivity and engagement.

It is the author's recommendation that managers and employees of any type of organisation take a moment to consider the benefits they could gain from including internal communication in their organisation's strategy processes, and what steps would need to be taken to accomplish them.

The research leading to the arguments and recommendation presented was conducted as a combination of literature research and primary qualitative research. The literature research was sufficient to justify the arguments and theoretical framework of the thesis. The topics covered by the foundations of the thesis however are vast, and further research could have been performed to deepen the author's knowledge on the topics.

The qualitative research was also sufficient, while more interview subjects would have given a broader perspective; the two case studies complemented each other and provided a representation of both academic and practical opinions and experiences. A common critique on using the interview method is that the subject tends to answer question in a way that shows them in a positive light. This was attempted to minimise by the interviewer showing and sharing as few personal opinions as possible, and by analysing the results of the interviews with a measure of criticism.

Combining the research with primary quantitative research would have added a relevant aspect to the study and should be contemplated as the next step in continuing the research.

References

- Barney, J. (1995). Looking Inside for Competitive Advantage. *The Academy of Management Executive*. 9 (4), p. 50.
- Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*. 17 (1), p. 105-6.
- Bass, B. (1990). *Bass and Stogdill's Handbook of Leadership*. 3rd ed. New York: The Free Press. p. 226-228, 233, 235.
- Brown, R. (1989). Introduction. *Knowledge is Power*. Oxford: Oxford University Press. p. 3.
- BusinessDictionary. (2015). Intranet: definition. Available: <http://www.businessdictionary.com/definition/intranet.html>. Last accessed 23rd of April 2015
- Coulter, M. (2010). *Strategic Management in Action*. 5th ed. New Jersey: Prentice Hall. p. 5, 7-8.
- Dessler, G. (2013). *A Framework for Human Resource Management*. 7th ed. New Jersey: Prentice Hall. p. 2, 16, 18.
- Gordon, T. (2003) Teacher effectiveness training. First Revised Edition. New York: Three Rivers Press.
- Grant, R. (2003). The Knowledge-Based View of the Firm. In: Faulkner, D., Campbell, A. *The Oxford Handbook of Strategy*. New York: Oxford University Press. p. 204-7.
- Holsapple, C., Whinston, A. (1987). Knowledge-Based Organizations. *The Information Society*. 5, p. 78, 81-2.
- Lado, A., Wilson, M. (1994). Human Resource Systems and Sustained Competitive Advantage: A Competency-Based Perspective. *The Academy of Management Review*. 19, p. 709.
- Mahatanankoon, P. (2010). The Impact of Personal Electronic Communications on Work-Life Balance and Cognitive Absorption. *International Journal of Information Communication Technologies and Human Development*. 2 (1), p. 3.
- North, V. (July 2014). *Factsheet: Employee communication*. Available at: <https://www.cipd.co.uk/hr-resources/factsheets/employee-communication.aspx>. Last accessed 8th April 2015.
- Pfeffer, J. (2002). Competitive Advantage Through People. In: Henry, J., Mayle, D. *Managing Innovation and Change*. 2nd ed. London: Sage Publications. p. 62.
- Porter, M. (2004). *Competitive Advantage: Creating and Sustaining Superior Performance*. New York: Free Press. p. 3.

- Porter, M. (2001). Strategy and the Internet. *Harvard Business Review*. March. Available at: [https://140.78.51.40/static/0855380/files/strategy and the internet.pdf](https://140.78.51.40/static/0855380/files/strategy%20and%20the%20internet.pdf) Last accessed 27th of April 2015. p. 5, 10.
- Porter, M. (1996). What is Strategy?. *Harvard Business Review*. Nov-Dec, Available at: <https://hbr.org/1996/11what-is-strategy>. Last accessed 27th of April 2015.
- Porter, M. (1987). From Competitive Advantage to Corporate Strategy. *Harvard Business Review*. May-June, p. 43-59. Available at: people.tamu.edu/~v-buenger/466/Comp_Adv_tocorp_strat.pdf. Last accessed 27th of April 2015. p. 1
- RE/MAX. (2015). *About REMAX Finland, Mission Statement, Estate Agency Leaders*. Available at: <http://www.remax-finland.com/AboutREMAX/About-REMAX-UK.aspx>. Last accessed 15th April 2015.
- Robbins, S., Judge, T (2010). *Essentials of Organizational Behavior*. 10th ed. New Jersey: Prentice Hall. p. 60-5, 206-7, 209.
- Sage. (2012). *Qualitative Research*. Available at: http://www.sagepub.com/upm-data/48453_ch_1.pdf. Last accessed 20th April 2015. p. 9.
- Silverman, D. (2005). *Doing Qualitative Research*. London: Sage Publications Ltd. p. 8.
- Silverman, D. (2000). *Doing Qualitative Research: A Practical Handbook*. London: Sage Publications Ltd. p. 4, 8, 42, 103.
- Smith, L (2008). *Effective Internal Communication*. 2nd ed. United Kingdom: Kogan Page. p. 3-4, 14-5.
- Stacey, R. (2003). *Strategic Management and Organisational Dynamics: The Challenge of Complexity*. Essex: Pearson Education Limited. p. 51-3.
- Stuart, B., Sarow, M., Stuart, L. (2007). *Integrated Business Communication in a Global Marketplace*. Chichester: Wiley. p. 13, 129, 194-200, 204, 206, 226.
- Taylor, S. (2004). *Model Business Letters, E-mails & Other Business Documents*. 6th ed. Harlow: Pearson Education Limited. p. 46.
- Ugboro, I., Obeng, K. (2000). Top management leadership, employee empowerment, job satisfaction, and customer satisfaction in TQM organizations: an empirical study. *Journal of Quality Management*. 5, p. 248.
- Wielemaker, M., Flint, D. (2005). Why Does HRM Need To Be Strategic? A Consideration of Attempts to Link Human Resources & Strategy. *The Business Review, Cambridge*. 3 (2), p. 259-264.
- Wolff. (2013). IRS internal communications survey 2012: employer practice. In: Huczynski, A., Buchanan, D. *Organizational Behaviour*. 8th ed. United Kingdom: Pearson Education Limited. p. 245.

Wright, M. (2009). Introduction. In: Wright, M. *Gower Handbook of Internal Communication*. England: Gower Publishing Limited. p. 1-3.

Wright, P., McMahan, G., McWilliams, A. (1993). Human Resources and Sustained Competitive Advantage: A Resource-Based Perspective. *CEO Publication*. p. 8-16, 18 Available at: www.tandfonline.com/doi/abs/10.1080/09585199400000020#. Last accessed 27th of April 2015

Wright, P., McMahan, G. (1992). Theoretical Perspective for Strategic Human Resource Management. *Journal of Management*. 18 (2), p. 298-9.

Wyse, S. (2011). *What is the Difference between Qualitative Research and Quantitative Research?*. Available at: <http://www.snapsurveys.com/blog/what-is-the-difference-between-qualitative-research-and-quantitative-research/>. Last accessed 20th April 2015.

Interview Questions: Markus Talvio

1. Could you tell me what it is you do for a living and about your career?
2. How would you describe the internal communication at the schools you have worked in?
3. How do you think technology has affected internal communication in organisations?
4. What communication mediums do you prefer to use?
 - 4.1. Why?
 - 4.2. Isn't that expensive in the long run?
 - 4.3. What would you suggest for large corporations were face-to-face communication is not always possible?
5. How would you choose to communicate trivial information?
 - 5.1. How about important information?
 - 5.2. Any specific reasons why?
6. How would you describe the hierarchy at your work place?
7. What do you think are the benefits of internal communication?
8. How do you feel about employee engagement?
9. How do you motivate employees and students in your work?
10. What are your opinions on decision-making?
11. How would you go about bringing up a new idea at work?
 - 11.1. How would you approach the decision-maker(s)?
12. Are new ideas and improvements generally sent top-down, or are they generated by teachers and brought to the attention of the managerial level?
13. In your PhD work you talk a lot about the growing autonomy of both students and teachers, what are your thoughts on granting more autonomy to employees?
 - 13.1. How would you go about supervising them?
 - 13.2. How about an organisation with a strong hierarchy?
14. How would you describe the internal communication issues in the companies you have consulted?
 - 14.1 What are the most common roadblocks you run into?
 - 14.2. What do you believe would improve communication in large organisations?

Interview Questions: Nina Kantele

1. Would you please describe what you do for a living?
2. How long have you worked as real estate agent?
3. What qualifications do you have for the job?
4. How would you describe RE/MAX as a company?
 - 4.1 How would you describe them as an employer / franchiser?
5. What mediums do you normally use for communication at work?
 - 5.1 Are the same mediums used by everyone in the organisation?
 - 5.2 How about mass communication, what mediums do you use?
 - 5.3 How comprehensive are the newsletter and intranet?
 - 5.4 Do you have, for example weekly, meetings with the other agents in your office?
6. How would you describe the internal communication at your current employer?
7. How would you go-about approaching a superior?
8. How would you describe the functionality of the internal communication in the organisation?
 - 8.1 How does the level of communication impact your work?
9. Why do you think communication works so well at your office?
 - 9.1 Would you please elaborate on the how the communication guidelines affect the communication?
 - 9.2 What other freedoms do the guidelines give agents?
10. Do you think internal communication has an effect on the RE/MAX corporate image?
 - 10.1 How would you describe it?
11. Is the communication model a part of the corporate strategy?
12. Why do you enjoy working at a RE/MAX office?
 - 12.1 Do you see other benefits in the entrepreneur business model?
 - 12.2 If you contrast them to the other agencies where you have worked, how would you say they are different?
13. What would you say are the reasons behind your success as a real estate agent?
14. Is there something you would like to change at RE/MAX or your office?

Gordon's 12 Roadblocks to Communication

Typical responses communicating acceptance:

1. Ordering, commanding and directing
2. Warning and threatening
3. Moralising, preaching, giving "shoulds" and "oughts"
4. Advising and offering solutions or suggestions
5. Teaching, lecturing and giving logical arguments

Communicating inadequacies and faults:

6. Judging, criticising, disagreeing and blaming
7. Name-calling, stereotyping and labelling
8. Interpreting, analysing and diagnosing

Denying the existence of a problem:

9. Praising, agreeing and giving positive evaluations
10. Reassuring, sympathising, consoling and supporting

Trying to solve the problem for the student:

11. Questioning, probing, interrogating and cross-examining

By diverting the student or avoiding them altogether:

12. Withdrawing, distracting, being sarcastic, humouring and diverting

(Gordon 2003)