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INTERACTIVE LEADERSHIP COMMUNICATION – SPACE OF INFORMATION SHARING

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Master's Thesis
Spring 2011
Degree Programme
in Industrial Management
Oulu University of Applied Sciences

ABSTRACT

Oulu University of Applied Sciences
Degree programme in Industrial Management

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Title of Master's thesis: Interactive Leadership Communication – Space of Information Sharing
Supervisor: Hannu Päätalo
Term and year of completion: Spring 2011   Number of pages: 97 + 3 appendices

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The business environment has changed due to globalization, competition and technologies. Thus, the old kind of leadership is not working anymore in a knowledge-based organization. Accordingly, leadership has to change and this has an influence also on communication. In this study the purpose was to examine what the changes mean from the point of view of leadership communication.

There were two basic research questions which directed approaching the study: what the meaning of communication is in organizations and how leaders can use communication for leading. The main goal of the study was to develop a new model for leadership communication.

The study is based on existing literature, researches, journals and articles of communication, leadership and business areas. The method of grounded theory was used for the analysis, which led to find key factors influencing leadership communication: information, actors, sharing, conditions and follow-up. These all factors were connected together with the core factor which was interaction.

As a result of the study, it was proved that communication has a strategic meaning for knowledge-based organizations because business is based on the value of information. Communication moves the information, and leaders are in an essential position when sharing information around the organization. Due to the fact, a space model for interactive communication was created, which was based on the found main factors in leadership communication.

The Space model can be used as a method of leadership communication, and it can be used in all kinds of organizations in spite of their location, structure and size. By following the Space model, leaders can ensure interactive information sharing and involve all employees and stakeholders into communication. The model can be modified and developed further to meet the leaders' requirement.

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1 INTRODUCTION

"Johtaminen on viestintää" (Salminen 2001, 15). "Ilman viestintää ei voi johtaa" (Åberg 2000, 108).

Leadership and communication are connected tightly together, although the importance of communication is still not understood in companies. According to Salminen (2001, 53) one evidence of this is seen when companies are creating with a great interest the in strategies but not sharing them with their employees and their stakeholders. Åberg (2000, 22) has emphasized that communication is a tool for supervisors and part of their daily management work.

I have got the same views as Salminen (2001) and Åberg (2000) during my career as a communications professional in different companies. I have seen, for example, cases where strategies are presented at so an abstract level that employees have not been able to adopt them for their daily work. Furthermore, I have believed that when strategies and essential business goals are shared in unison, it improves the organization's performance and, on the other hand, the employees' work motivation and satisfaction. In addition, I have been involved in many employee satisfaction surveys, and as a result of these surveys, lack of communication has been criticized without any exceptions.

Due to my own experiences and beliefs, that communication is underestimated in organizations, and supervisors are not focusing enough on it, I wanted to study the subject more. In this research my objective was to examine what the meaning of communication in organizations is and how leaders can apply communication for leading. In addition, my goal was to find a working model for leadership communication based on the results.

The study was limited to concern the relations between internal communications and leadership in organizations, and particularly leadership communication. General communication and leadership theories were not studied at a deeper level. In this research the internal communications mean all communication, which happens inside a company and is mainly targeted for its employees.

Leadership means that someone tries to influence others to make them achieve the objectives (Salminen 2001, 68).

The subject of the study is topical because the world is changing rapidly as well as business environment. Because the business environment is changing, it forces to change leadership and communication accordingly. Despite the topic there are countless numbers of literature and researches about communication and leadership, but not many of those concerning leadership communication.

According to Salminen (2001, 14-15) mechanistic leadership has to be replaced by humanistic leadership, which focuses more on human beings and human nature. Employees' skills and diversities have to be taken into consideration, and therefore communication has an essential meaning. Sydänmaalakka (2005, 17) has wanted to challenge old thinking which is based on the framework of the industrial revolution. He has emphasized that the post-industrial or post-modern or trans-modern age is now progressing and new kind of intelligent leadership is needed.

The study was done as a qualitative research, and literature, journals, articles and researches talking about communication, leadership and business areas were used as main sources. Because the research questions were various, and the direction of the study was not specified at the beginning, the research methodology was chosen according to it. The grounded theory methodology seemed to be suitable for the purpose, because it allows the researcher to work and move forward according to the data and see where it leads. The researcher starts the studies and allows the theory to emerge from the data (Strauss & Corbin 1998, 12). Glaser (2003, 15) has convinced that the grounded theory works with any data, not just with specific data. It also encouraged to use the grounded theory methodology in this study.

In this study I have tried to be faithful to the grounded theory methodology and let the theory emerge from data in spite of my own professional background and assumptions. I have tried to follow the path where the findings from the data will lead. However, I have used my professionalism when I have evaluated the findings and their importance to the study. I have also used my experience of

communication and leadership, when I have examined the relations and patterns between the phenomena.

To summarize, the objectives of this study were to study *what the meaning of communication is in the organization* and *how leaders can use communication for leading?* In addition, the goal was to create *a new model for leadership communication.*

2 CONNECTION BETWEEN COMMUNICATION AND LEADERSHIP

> Me viestimme aina: puheellamme, eleillämme, kehonkielellä, paperilla, sähköisesti, erilaisilla symboleilla, pitämällä kovaa ääntä tai olemalla ihan hiljaa. Se, miksi emme ole viestimättä, johtuu oikeastaan siitä, että kaikkea tekemäämme, sanomaamme ja olemaamme tulkitaan joka tapauksessa (Vuokko 2003, 11).

Vuokko has explained above what communication means; we always communicate: with words, gestures, by using body language, on paper, electrically, with different symbols, by keeping a loud voice or by being silent. That is a wide description of communication, which covers all communication elements. The more compact definition from Vuokko (2003, 12) is that the purpose of communication is to create a common idea of some matter.

There are also more traditional definitions like that of Åberg's (2000, 54): Communication is a process, an event, where the state of matters is interpreted through defined meanings. The interpretation is shared with others via interactive delivery networks. Ikävalko's (1999, 11) definition is a little shorter although the basic idea behind that is the same as that of Åberg's: Communication is essentially simplifying the sending and receiving of messages, in other words, exchange of information.

If the definitions are reflected against different communication schools, Åberg's definition corresponds to the modern idea of communication where the meaning of the message is emphasized as well as the interpretation. On the other hand, Vuokko describes well the whole event of communication.

2.1 Changed Communication Views

Communication actions can be examined according to communication delivery. The process school means that communication happens in a linear way: The sender has to share some information, and accordingly encode the idea for the message and send it through a communications channel to the receiver. The

receiver decodes the message received and interprets it on his own way. The interpretation can differ from the original idea of the sender. (Aula 1999, 13; Åberg 2000, 33; Åberg 1997, 29.)

According to the semiotic school the focus is on meanings. The message is not just delivered to the receiver; the meaning of the message is created together between the persons participating in the dialogue. Their personal backgrounds affect how the message is understood. (Aula 1999, 13.)

Åberg (2000; 33; 1997, 29-30) has noticed that the previous communication models are not enough for today's communication needs. The receiver of the message is an actor who is defining the meaning of the message, not only a passive receiver and an object of communication. In addition, Aula (1999, 240-241) has presented how the chaos theory affects communication in organizations. Aula's view is that the organization behaves like a chaotic system due its inner structure and dynamic properties. The organization's chaotic status can be directed by communication.

Aula (1999, 144-145) has divided communication into integrated and dissipative communications based on their influence on chaos in the organization. The integrated communication leads to order and the dissipative communication can lead to disorder, which can also be the goal planned. The qualitative characteristics for integrated communication are: exact, reactive, intentional, controlled, monophonic and monologue. Characteristics for dissipative communication are: metaphors, proactive, spontaneous, impulsive, polyphonic and dialogue. The dissipative communication can be useful, for example, in a crisis situation of an organization, when innovative and creative problem solving is needed. On the contrary, the integrated communication is efficient after a crisis, when order is needed.

In a research project Communication of Work Communities in the 21st Century, Juholin (2007, 90-91) has used an onion metaphor to describe a new model for internal communications in knowledge intensive work organizations. The onion model consists of several layers, which define the basic communication

elements like information sharing, discussion, timing, atmosphere, participating and influencing, doing together, learning and communications forums. Juholin has seen that a new agenda is needed due to the changed business environment, where the old communication models are not working anymore. Juholin's model emphasizes meanings, understanding and participation in communication and it involves also employees in communication.

2.2. Changed Business Environment

Juholin (2006, 9-10) has found many reasons why the old communication models are not working anymore. Employees in the 21st century's knowledge intensive work organizations are independent specialists in contrast to former industrial assembly line workers. Teams of specialists, working in global networks, have replaced the organizational hierarchies. Globalization has been the main indicator for the change, and it has led to an increasing competition in the business environment. Mechanical industrial work has been transferred to cheap production countries and knowledge-based work has stayed in the developed countries. In knowledge organizations the employees' satisfaction, motivation and possibilities to influence their work are emphasized. The work itself demands high education, creativity, problem solving skills and knowledge. From the point of view of leadership the challenge is how to fulfill the employees' expectations.

Juholin's view was particularly in communication, but Sydänmaalakka (2005, 14-15) has found similar reasons and requirements for the changes as Juholin when he has examined leadership. According to Sydänmaalakka, today's business environment can be seen as a global village. The way to work has changed due to the telecommunications technology, and knowledge management is essential as well as competences and learning. Chaos is more characteristic than order due to the speed of changes. Accordingly, employees have to be capable for self-leadership, flexibility and understand the meanings. Pressure for the changes comes also from customers, who have increasing requirements.

As a result employees in a modern knowledge company have to be led in a different way from leading traditional manufacturing workers. "Command, control and correct" leadership style cannot be used anymore. Employees are experts and more capable in their work than their supervisors. Instead of commanding employees, the role of supervisors is to be more like facilitators who create the work conditions demanded for employees. (Sydänmaalakka 2005, 15; Lilley, Lightfood & Amaral 2004, 86; Otala & Otala 1990, 58).

According to Otala and Otala (1990, 59) the employees in knowledge-based work organizations want to work independently, take responsibilities, use their power and get possibilities to develop themselves. Furthermore, they want to know the strategies, objectives and future challenges. Employees also value immediate feedback and rewards. Consequently, leading knowledge organizations has become very demanding due to the complexity of the business environment with its multiple requirements. Korkala (1990, 152-153) has established that the role of a supervisor is to influence his/her employees so that they understand the meanings and purposes and importance of tasks. The supervisor does not command; the role is more like that of an assistant who helps the others to do their work.

When examining leading deeper in this study, it was essential first to define what leading means and particularly the common terms related to it. The English language brought certain challenges and added the complexity in the beginning. For example, in the Finnish language there is generally used only one word "johtaminen", when talking about leading in work organizations. This one word can mean both leadership and management. Instead, in English when talking about leading, it is important to define whether the focus is on leadership or management.

Sydänmaalakka (2005, 16) has pointed that there are both similarities and differences between the two management paths. The objectives of management and leadership are the same: to influence employees, to work with people and to gain the goals. The main differences are that management is task-oriented and leadership people-oriented. According to Sydänmaalakka, in

practice it is not easy to say when others are managed, it is a question about leading or managing. Instead of dividing into leadership or management, Sydänmaalakka has replaced the terms by intelligent leadership, which means integration between the leadership and management and would be more suitable for modern management environment.

As a summary, the command and control leading is not working anymore in knowledge-based organizations, and leading is more like influencing employees' motivation, commitment, and supporting employees' independence, creativity and self-development. Accordingly, the focus has to be more on leadership despite of what the role of supervisor in the organization is, or what the issues under leading are. It is clear that employees still need to be directed in their work, and the things under the management type of leading have not disappeared, but the approach has to be in leadership. Hence the changed business environment and increased focus on the leadership type of leading, in this study the approach is in leadership instead of management. The leadership approach also supports the modern view of communication, which has changed to meet the requirements of knowledge-based organizations.

2.3 Field of Company's Communication

The terminology and concepts of communication can be confusing and complicated because of different actors in the communication field, who use different terms: In a journalist's education the concepts are picked from social sciences; in marketing from selling and leadership; and in advertising from psychology and social psychology. (Malmelin & Hakala 2005, 12.)

In this study the certain terms and concepts were chosen according to how they are mainly used in the current business environment. As an example of the complexity, internal communications can be called for organizational communications, employee communications and PR (public relations). As an example two dissertations: Joensuu (2006, 13) has used terms PR and internal PR and Kalla (2006, 77) has used internal communications, and both of these researchers have meant mainly the same issue. Åberg (2000, 21-22) has

separated the meanings of organizational communications and public relations: organizational communications cover all communication inside the organization, and public relations cover profiling and informing. To summarize, the terminology varies according to researchers and contexts.

In this study the internal communications is used when the purpose is to describe all the communication, which happens in the company organization, and is targeted mainly to all employees working in the organization. The company's external communications mean the communication which is targeted to individuals or groups outside the company. Corporate communications cover all the communication in the company including both internal and external communications. Corporate communications are directing and leading the whole communications field and they define the guide lines for the communication. The communication style is primarily formal. (Kalla 2006, 15.)

The purpose of internal communications is to share business and employee related information inside the organization. Ikävalko (1999, 46) has defined five essential tasks for internal communications: the first, share formal organizational information as results and plans; the second, get employees committed to their organization through introductions; the third, inform about and discuss with employees the issues which affect their own work as objectives, education and plans; the fourth, internal marketing, which means that all the employees are aware of the products, services and ideology of the company; the fifth, support the employees' formal and informal communication.

Åberg (2000, 151-152) has created a model where the tasks related to the internal communications are: The support of basic functions, profiling work community, informing, fastening and social interaction. The support of basic functions means, for example, internal marketing and sharing work instructions. Profiling is a long term action and its goal is to achieve a defined imago for the company. Fastening means all the actions done to gain the employees' commitment. Informing covers both internal and external informing and the focus is on information delivery. Monitoring business environment is also part of

the information related task. Social interaction is more informal communication between the employees.

Aalto (1990, 37) has summarized the three goals for communications, which are monitoring, planning and communication. In internal communications monitoring is an important way to notice essential changes in the business environment or in the community around. Planning demands that the aspect of communication is taken into consideration in strategy planning and decision making. According to Aalto, communication includes profiling, communication actions and channels.

Internal communications can be also categorized in Holz's (2004, 35-51) way. There are communication required by law, human resources communication, business communication and informal communication. Communication required by law varies in different countries. Human resources communication includes among others, employee benefits, career information, salary and social issues. Business communication means work related operative information sharing, and company strategy, goals and knowledge sharing. Informal communication is unplanned; it happens, when employees are meeting each other and sharing their information and knowledge.

As a summary the terms internal and external communications are based on divided communication audiences. Internal communications are targeted mainly to everyone working in the company, and external communications to groups outside the company (Aalto 1990, 80). In some parts the target groups are the same in both internal and external communications, and actually internal and external communications are not so separated parts as they might seem to be.

For instance, employees might be in contact with customers and share information with them. Thus, they have to know what is happening in the external communications area. As Aalto (1990, 47) has mentioned, the company is communicating outside with all its actions. Therefore, it is essential that employees know the company's business idea, goals and procedures and are engaged to them.

In addition, both the sides, internal and external communications, are partly communicating with the same stakeholders, which is a general term of the group who affect in some way to the company's business. Stakeholders can be, for instance, company's partners, sub-contractors, stock owners, retailers, suppliers, municipalities and states. (Aalto 1990, 50-53, 79.) Particularly in change and crisis situations, external communications have to be aware what is happening in the internal communications area. Although, if the change or the crisis seems to concern only the company internally, it can affect, or at least, interest outsiders, which has to be informed. In external communications the public, customers and media also belong to the main target groups. (Aalto 1990, 54-57, 86.)

Juholin (2006, 22) has pointed that it is not so clear nowadays who is inside or outside the organization due to companies' outsourcing deals, temporary employee contracts, remote work, globalization and technological solutions. The boundary between the internal and external communications has become unclear. Figure 1 illustrates the field of corporate communications, which is divided into areas of internal communications and external communications. The areas are overlapping due to common goals and target groups.
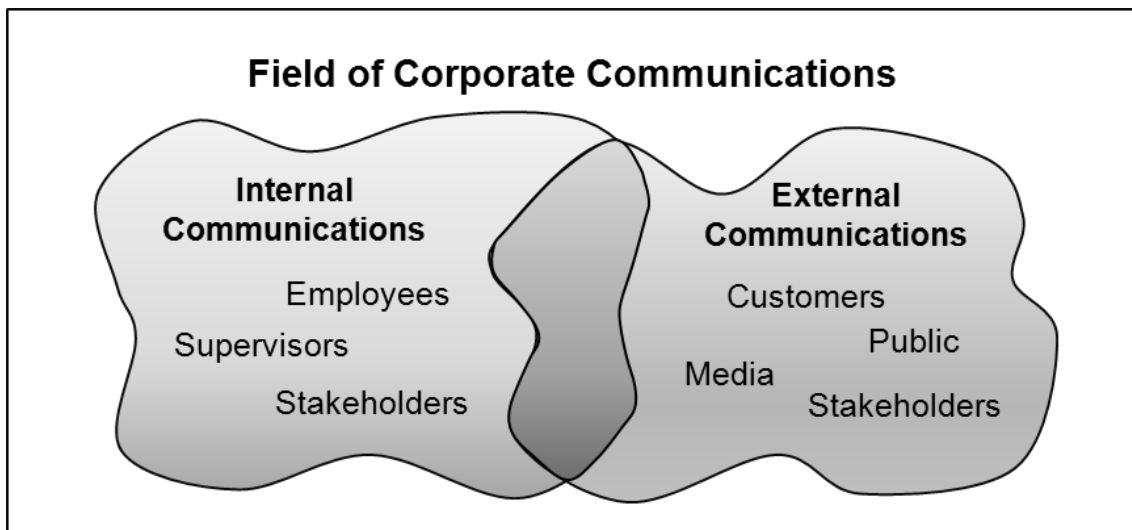

FIGURE 1. Field of Corporate Communications. The areas are overlapping due to goals and target groups which are partly the same.

2.4 Responsibilities of Internal and Leadership Communication

Communication has become a function in companies, and it is managed by communications professionals. On the other hand, communication is a tool for every supervisor and professional. It is a way to lead, and thus a part of daily management work. (Åberg 2000, 21-22.)

Åberg (2000, 22) has used the term managerial communication when meaning the communication done by supervisors. Kalla (2006, 15) has used the term management communications about the same subject. Baldoni (2003, 5) has preferred the term of leadership communication. It is quite difficult to say what were their justifications to use those terms, because it seems that all of them have meant the same thing.

According to Barret (2006), leaders influence their target groups by leadership communication, which is the controlled, purposeful transfer of meanings. By leadership communication leaders guide, direct, motivate or inspire other to do something. Barret has examined three different levels in leadership communication: core, managerial and corporate levels. At the core level there are communication strategy, writing and speaking skills, which the leader must master. At the managerial level the leadership communication includes the skills which are needed in leading groups. When moving to the corporate level, leaders must manage more corporate level communication responsibilities as to employee and media relations and brand management.

In this study the term leadership communication is used when describing communication between leaders and employees or stakeholders from the point of view of leadership. The usage of the term is based on the arguments in chapters 2.1 Changed Communication View and 2.2 Changed Business Environment. The old communication models are not working anymore, and the focus of communication should be in meanings, understanding and participation. On the other hand, due to changes in the business environment, leaders in knowledge-based organizations have to focus on leadership instead of former command and control leading.

Leadership communication has an important role in internal communications, because person-to-person communication is the most effective way to share information. Thus, personal interactive communications channels are essential, and from that perspective, the nearest supervisor is the key communicator in the organization. They know their teams and are in contact with their employees daily. (Ikävalko 1999, 25; Åberg 1997, 106; Valjakka 1990, 131.)

Furthermore, leadership communication has also an essential role when motivating employees. According to Åberg (1997, 106) and Salminen (2001, 139), communication satisfaction affects directly the employees' motivation. Those who are satisfied with communication are more motivated to do their jobs than the others.

Despite of the importance of communication, it is still the most undervalued sector in leadership (Salminen 2001, 73). Salminen has pointed that the strategic meaning for communication is not truly recognized in companies. Communication responsibilities have decentralized, and supervisors are not educated for their communication tasks. Besides, the organizational structure may not support communication between supervisors and employees.

As Åberg, among others, has mentioned, communication has become a function led by communications professionals, but leaders are in the key position as implementors of internal communications. According to Åberg (2000, 247) the responsibilities of communication cannot be shared. The main principle is that the top management is responsible for communication as well as the other business areas in the company. Instead of sharing the responsibilities, communication has to be delegated wider in the company.

In addition, it is essential for successful communication that the company's top management is interested in and willing to create interactive relationship with employees. Communications professionals have to support leaders by developing their communication skills. Moreover, professionals can take care of day-to-day communication in the organization as to regular publications, newsletters, events and communications materials. One essential task for

communications professionals is to support leadership communication and to develop the leaders' communication skills. (Malmelin & Hakala 2005, 129; Holtz 2004, 215-216; Ikävalko 1999, 121).

It is not possible to define at a very detailed level how to delegate communication responsibilities or tasks inside the company, because everyone is communicating and sharing the information. A general principle is that communications professionals lead the communication, support supervisors and management, create communication strategies, and support in profiling, which means brand/imago building, strategy and vision sharing. Supervisors should take care of communication, which is related to operative work, strategy implementation, objectives, and organizational plans. Supervisors' approach should be in leadership communication despite of the issues which need to be communicated (figure 2). (Barret, 2006; Salminen 2001, 78; Åberg 2000, 151-152, 247; Ikävalko 1999, 14-19).

Communication Responsibilities

Communications professionals
- Direct communications
- Support leaders
- Organization's publications and events
- Communication strategy
- Formal communications
- Corporate level information sharing to employees

Leaders
- Work related communication
- Strategy, vision, products, services
- Support employees
- Relationships
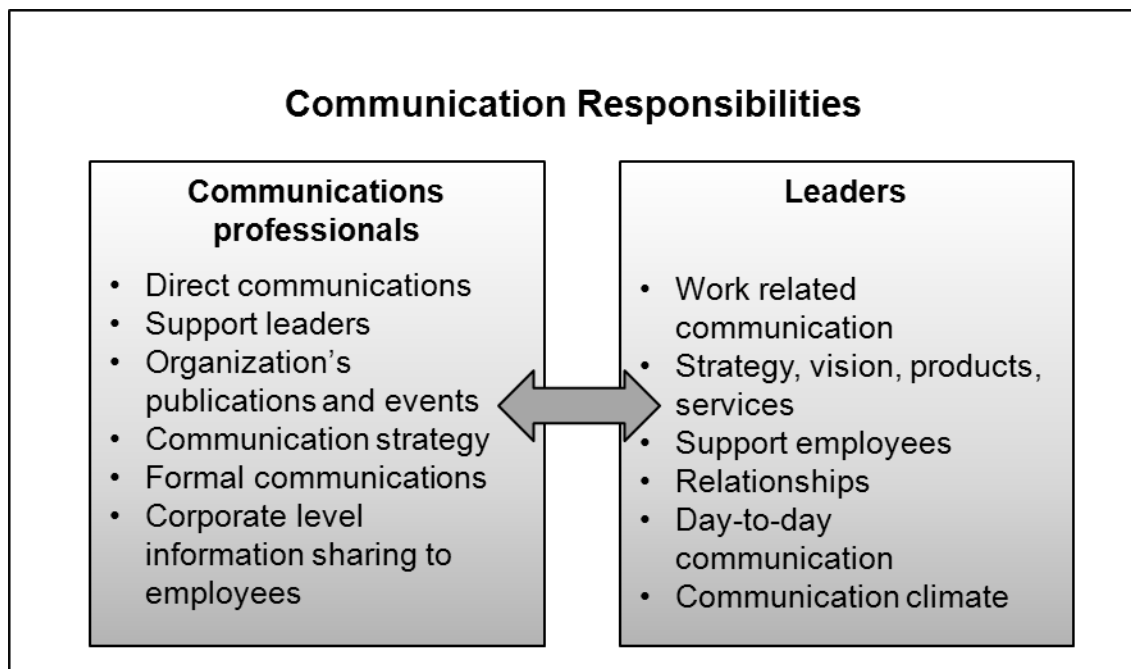- Day-to-day communication
- Communication climate

FIGURE 2. Responsibilities of communications professionals and leaders.

3 GROUNDED THEORY METHODOLOGY

Grounded theory methodology was developed by Barney Glaser and Anselm Strauss, and they published their first publication, The Discovery of Grounded Theory, in 1967 (Glaser & Strauss, 1967, renewed 1995, 1; Strauss & Corbin 1998, 9). During the last ten years Strauss's and Glaser's views have been separated into Strauss's inductive-deductive school and Glaser's inductive school (Siitonen 1999, 28).

Siitonen (1999, 31-36) has compared the Strauss's and Glaser's schools and found the biggest differences between the schools in the usage of the in methodology: how researcher approaches the study and how the data is analyzed. Siitonen has investigated that the main question concerning the debate is related to the theory building; emergence versus forcing. Strauss and Corbin allow defining the research problem beforehand, but Glaser's line is that it would be like forcing the data. According to Strauss's and Corbin's methodology it is possible to use the existing theories and the researcher's own experience in the analysis of a process. Glaser's attitude is more critical; he would not allow any reading of research beforehand, and the approach for the research should be inductive by contrast to Strauss and Corbin, who prefer the inductive-deductive approach.

There are also differences between the coding processes (Siitonen 1999, 32). In Strauss's and Corbin's methodology the coding is done by using open, axial and selective coding. In addition, a conditional/consequential matrix is used to find relationships and consequences from the phenomena and concepts under study (Strauss & Corbin 1998, 182). In Glaser's methodology there is only open and selective coding. For both of the schools, the memos have an important role during the study. (Siitonen 1999, 32).

3.1 Choosing Strauss's and Corbin's Methodology

 According to Glaser (2003, 92) the choice between the two schools is clear; his own methodology is easy and straightforward to use and leads to a real

theory which does not happen by using other grounded theory methodologies. Without former experience of the grounded theory, Glaser's or Strauss's and Corbin's methodologies, the choice between the schools was difficult. Finally, there were many reasons why Strauss's and Corbin's approach was chosen for this study.

Firstly, Strauss's and Corbin's grounded theory methodology allows the research problem and research questions to be defined at the beginning of the research. In this study the research questions were quite open and extensive, but they directed the research together with some pre-assumptions based on the researcher's own professional experience. The approach would have been more limited if Glaser's grounded theory methodology had been used.

Secondly, the research data was based on literature, journals, articles and researches; it seemed simpler to use Strauss's and Corbin's methodology because of the researcher's pre-assumptions and former studies. It would have been more complicated to start the research if any pre-information and studies from the research area would not have been allowed.

Thirdly, Strauss's and Corbin's coding process seemed to be deeper than Glaser's due to the three phase coding process and conditional matrix. Thus, the assumption was that it might give an additional value to the analysis and study to use a wider analysis process. Because Strauss's and Corbin's methodology was chosen, the focus in this study was in the grounded theory of Strauss's school, and it was also explained more profoundly.

3.2 Basic Principles when Doing Grounded Theory

According to the Strauss's and Corbin's method the research data has to be coded and categorized. Coding is based on continuous data comparison. Open coding means that the researcher finds the concepts from the research data and creates different kinds of categories for them. The similar kinds of concepts are grouped under the same categories, which have their own properties and dimensions. (Strauss & Corbin 1998, 103, 121.) In addition, the categories are

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divided into subcategories, which specify more the found phenomena (Strauss & Corbin 1998, 119). The categories should be named by the researcher as they emerge from data rather than borrow the names from the existing theories. Self-named categories fit the best with the situation under study and also ensure that data is not forced to categories. (Glaser & Strauss 1999 [1967], 36-37.)

Axial coding means that the researcher finds relations between the categories and subcategories and connects the categories according to their properties and dimensions (Strauss & Corbin 1998, 123). In practice open coding and axial coding are not separated actions, rather are they done at the same time (Strauss & Corbin 1998, 136).

Eventually, during selective coding the researcher defines the central category (core category), which represents the main theme of all categories. The central category should be named with an abstract term, and it also has its own properties and dimensions. (Strauss & Corbin 1998, 146, 157.) It will be the core of the emerging theory and lead further in to data gathering and analysis (Glaser & Strauss 1999 [1967], 40). The central category can be also called a core category which is used in this study instead of the term central category.

It is typical of the qualitative research that it is impossible to analyze all raw data available. Eskola & Suoranta (2000, 62) have defined that there are data enough when new data does not provide any new information from the point of view of research problem; it means that saturation has been achieved. In the grounded theory the saturation is achieved when all categories are saturated and no new information seems to emerge from the data. It is possible to fill the poorly developed categories at any time during the coding. (Strauss & Corbin 1998, 136, 158.)

Strauss and Corbin (1998, 181-189) have seen that it is important to use the conditional/ consequential matrix when creating the theory. The matrix means that the phenomenon under study is analyzed in relation to micro and macro conditions. When locating a phenomenon in the context, it gives a logical and

systematic explanation of its meaning in a wider environment. Besides, it can help and direct the researcher to gather the additional data.

Strauss and Corbin (1998, 192-195) have developed a diagram (Figure 3) to describe the conditional matrix model, which can be modified for the researcher's own purposes. In the middle of the spiral there is the phenomenon under study. When moving outward from the center, the micro conditions change more into macro conditions.

In the most macro area there is a global circle, which means conditions as international politics, governmental regulations, agreements, cultures, values, economics and global phenomena. In the inner circle there are national and regional areas. They include, for example, national/regional politics, governmental regulations, institutions, histories, values and attitudes.

The same issues influence also in the community area, but in some point of view differ. Organizational and institutional circles mean the conditions concerning structure, rules, histories, relationships and features. Small circles include individual, family and group areas, which are conditional as experiences, motivations, educations, beliefs, values and personal things. They can be called micro conditions.
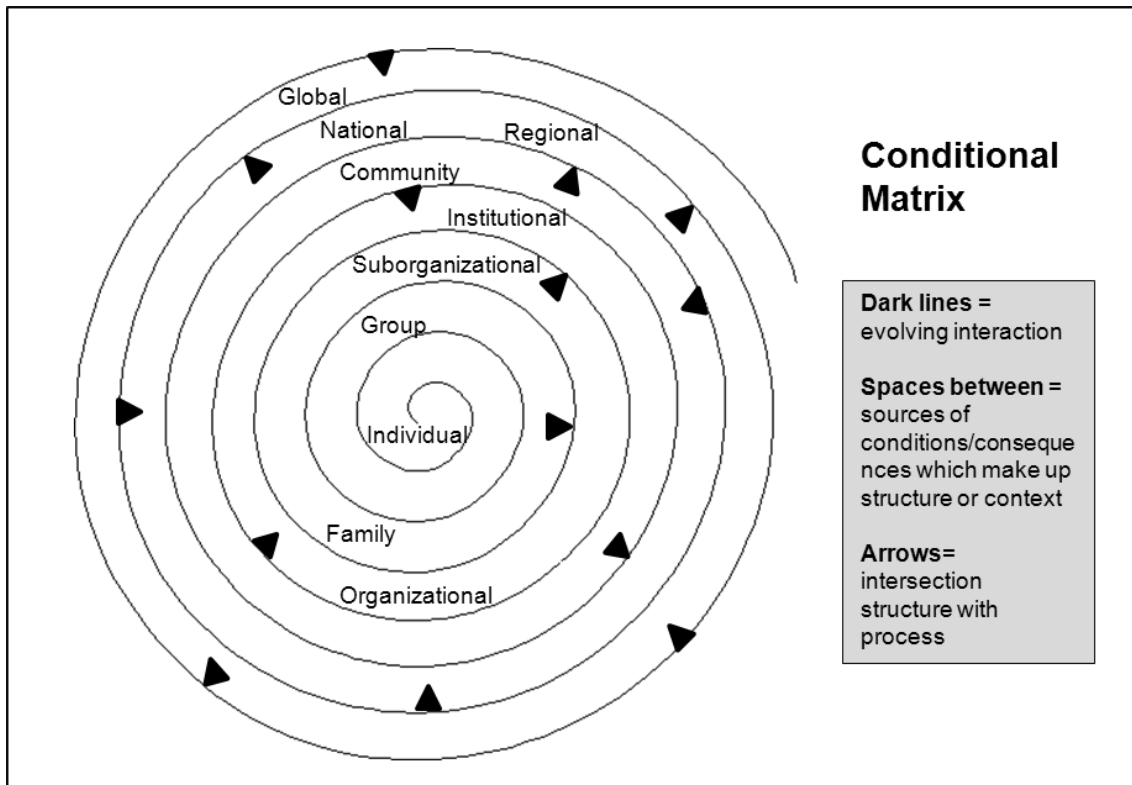
FIGURE 3. The Conditional/Consequential Matrix. Source: Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory (Strauss & Corbin, 1998, 184).

3.3 Studying Leadership Communication by Using Grounded Theory

In this study the main sources for the research data were literature, researches, journals and other articles. Although the focus was on leadership communication in the organization, it was important to get a general overview of communication in the beginning. Hence, the first goal was to study communication theories and models and especially internal communications. Because leadership communication is essential part of internal communications, the next step was to examine leadership in companies and organizations.

After that it was quite logical to move forward to leadership communication, because leaders are the key actors in internal communications as well. To understand the role of leadership communication, it was necessary to study what kind of business environment and conditions affect leaders. Business

related issues were not studied very profoundly because of the focus of the study. The main differences between the usage of the sources were that business related data gave ideas of what need to be communicated in companies and organizations, and communication related data gave ideas of how to do it.

As defined in the grounded theory methodology, the data should not be forced. Instead, phenomena and issues should emerge from the data. When studying the communication and leadership, the analyzing process happened simultaneously and it showed the further direction of the study and material sampling. Categories started to emerge from the analysis, and in the end the core category was found quite easily. The flexible working method allowed to return to the material when needed; defining dimensions of categories and gaining category saturation.

The conditional matrix was used, because conditionals influence leadership communication; there are lots of relationships and consequences between the matters. The research process did not proceed linearly step by step. The different phases were varying all the time (figure 4).

For example when the results were under writing, it came obvious that there were still need to fill some categories and research data needed to be re-checked or there was a need to find totally new data. On the other hand, it was also a way to validate the theory so that poorly defined categories were filled and saturated, and ensured that anything relevant issues were not left out from the theoretical scheme (Strauss & Corbin 1998, 159-160).

Research Path of Leadership Communication

Qualitative research

Research method: Grounded Theory

Communication
Leadership
Business

Research data:
Literature
Journals
Researches
Articles
News

Data analysis and coding happened simultaneously.

Analysis:
Open coding
Axial coding
Selective coding
Conditional matrix

Results

Conclusions

Define the categories and subcategories, investigate relations and consequences, and finally define the core category.

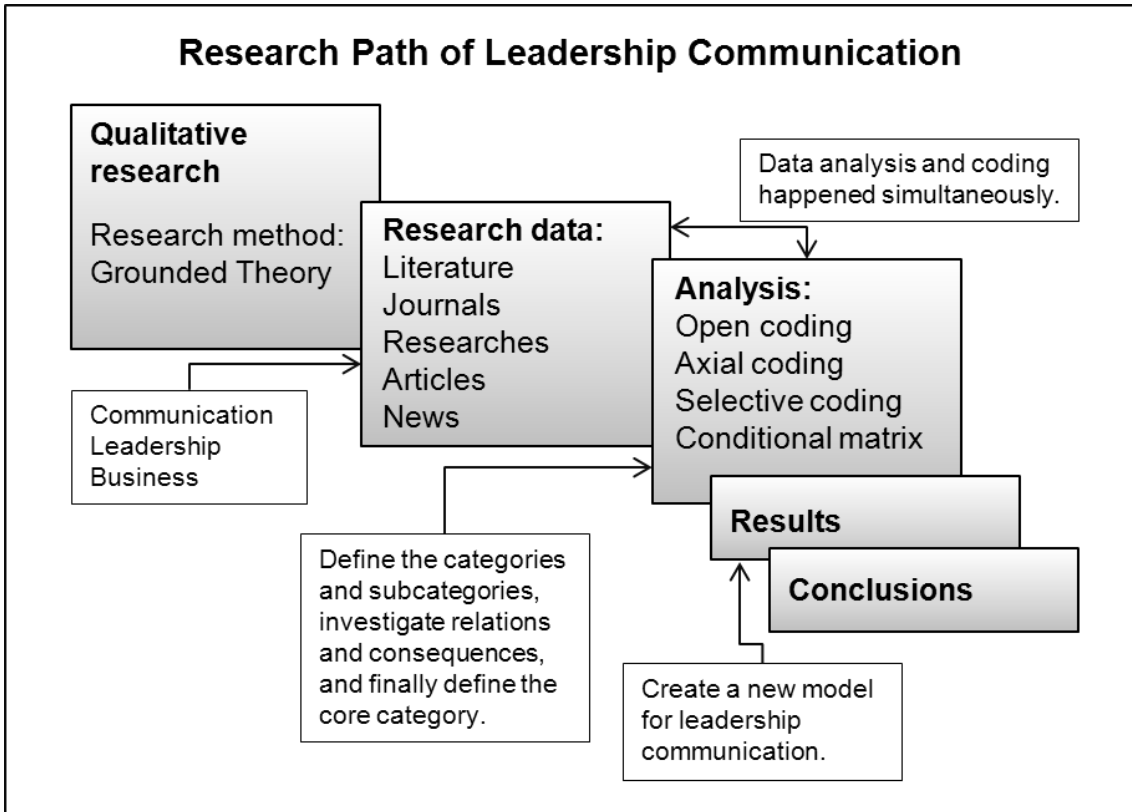Create a new model for leadership communication.

FIGURE 4. Research path.

4 INTERACTION IN LEADERSHIP COMMUNICATION

As explained in chapter 3.3 the study was done by using the grounded theory method and its three phase coding process. The research data, which was based on literature, researches, journals and articles, was analyzed by using open, axial and selective coding, and the conditional matrix (figure 4). In practice, the coding processes were not separated from each other. Instead, for example axial and selective coding happened simultaneously. The research data was gathered from leadership, communication and business areas. During the comparative analysis it came obvious that the same concepts were emerging for topics from both leadership and communication sources.

As a result of the analysis five categories were found for leadership communication: Information, Actors, Sharing, Conditions and Follow-Up. Those all categories were connected together under the same factor, interaction, which became the core category for the study (figure 5). Open coding process, how it was done in this research, is illustrated by an example in appendix 1. Axial coding and selective coding are explained in appendix 2, and it shows how categories and the core category are connected together.

Glaser and Strauss (1999 [1967], 36-37) have mentioned, that the categories should be named by the researcher which ensures that the categories are emerged from the data instead of forcing the data for the categories. In this study, the categories are self-named, but in some subcategories they are named according to generally used terms. For example, Channel subcategory under Sharing category is named by using the term which belongs to the common communication terminology. Because the subcategory focused on communications channels, it would have been found confusing by the others than the researcher if a different term would have been used.

The Information category emerged from business related data, which showed that due to the changed business environment, information has become a vital factor for knowledge-based organizations. Accordingly, information was

examined more deeply, and how it influences leadership communications. In the knowledge-based organizations leaders, employees, stakeholders and communications professionals are all together influencing leadership communication, due to their close relationship and connections. Thus, they all are the actors in the leadership communication, and as a result, Actors emerged to be one of the main categories.

It is characteristic of knowledge-based organizations that everyone is responsible for information sharing. Sharing means that information is not only delivered to someone, instead, it is shared and created together with all the actors. The sharing category defines how leaders can support and encourage everyone for interactive information sharing.

According to the grounded theory method, leadership communication was analyzed by using Strauss's and Corbin's conditional matrix model (figure 3), which was modified to fit the studies of leadership communication (figures 14 and 15). Because organizations are affected by micro and macro level significant conditions, which also influence leadership communication, the Condition category became a category of its own.

In the analysis of business related data it became obvious that an organization has to have a specific system to follow its strategy, actions, stakeholders and external environment. The system is needed also to follow-up the communication actions. Thus, both the aspects were seen also from the point of view of leadership communication and consequently Follow-Up emerged for the main category.

The categories were saturated during the analysis and research data was compared continuously with each other. This continued even during the writing process, when it came obvious that some categories still needed be examined more carefully and additional research data was needed to achieve the saturation. Further information directed a lot the study in some cases. For example, in the beginning, timing leadership communication seemed to be an important factor, and it was examined how it influences the decision of

communication, and how different requirements in organizations influence timing. Accordingly, timing was first as its own category, but due to further studies it was removed out because it could not be saturated. This does not mean that timing is a less important factor in communication; it only shows that it did not emerge to be the main factor in this study based on used sources.

Interaction emerged a core category, because it is a key element in modern leadership communication, where communication roles between leaders, communication professionals, employees and stakeholders are mixed. All of them are sharing information and influencing the organization's actions. Interactive Leadership communication challenges everyone to continuous information sharing in formal and informal forums of organizations.

In addition, interaction supports the knowledge-based organization model where organizational hierarchy levels have lowered, and employees have become experts and active participants in their work. Interactive leadership communication is a way for leaders to influence more efficiently in the changed business environment. Interaction helps to gain common understanding of the meanings inside the organization, and encourages all actors to create the interpretation together in the dialogue. In the following chapters the categories and subcategories are presented in detail as well as their relations to core category, and the approach is in the leadership communication.
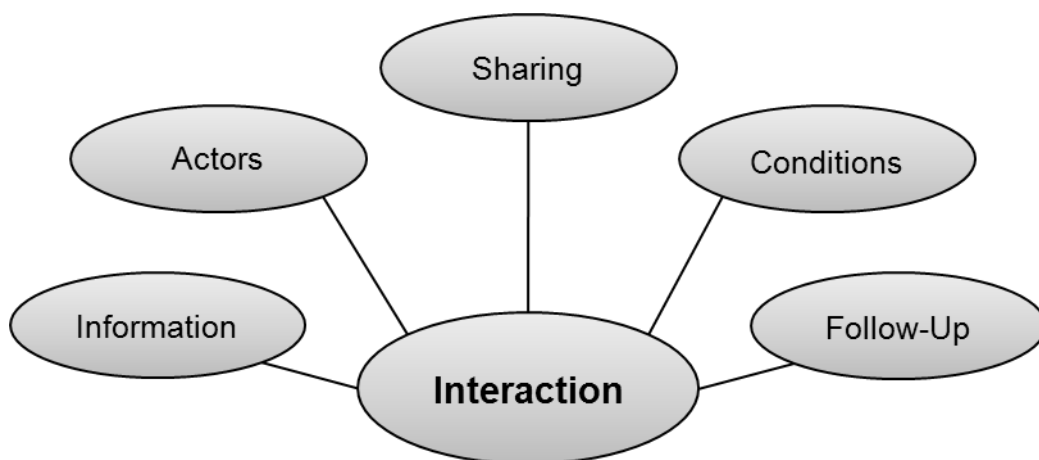
FIGURE 5. Categories and core category according to analysis.

4.1 Information

In the beginning, it was essential to define what the terms information and knowledge exactly means, because the usage of the terms varies although the meaning in the context stays the same. Especially it was confusing when the subject of information and knowledge was studied in the Finnish literature. In the Finnish language the term information is translated into "tieto" or "informaatio" and the knowledge is translated into "tieto" or "tietämys" (Reikiaro & Robinson, 2006, 859, 879). So there is no clear difference in Finnish, if the purpose is to mean information or knowledge, but in the English language the difference between information and knowledge is clearer.

An English Dictionary has defined the differences between information and knowledge as follows: "Information is information about someone or something consists of facts about them; knowledge is information and understanding about a subject which a person has, or which all people have" (Collins & Sinclair, 1995). In this study some Finnish sources are used, when the purpose of information and knowledge for organizations is analyzed. It was the researcher's own decision, whether the term "tieto" was translated as information or as knowledge. The decisions were based on the context.

Nonaka and Takeuchi (1995, 58, 59) have seen that information is a flow of messages, but knowledge is created from the flow of information. Knowledge is about action, which is anchored in the beliefs and commitment of its holder and rooted in an individual's values systems. Both information and knowledge are about meaning, context specific and relational. Social interaction among people is important when sharing and creating information or knowledge.

Shapiro and Varian (1999, 3-5) have used the term information very broadly in meaning anything that can be digitized, for example, books, databases, magazines, movies, music and web pages. It is characteristic of information that it can be priced, copied, stored and transferred. Their approach has been in the value of information to consumers and they have examined information markets

and the information business, where information is seen as an intellectual property.

In this chapter the Information category is like an umbrella to all information and knowledge, that a company and an organization has. The purpose of the category is explained in this chapter as well as the subcategories for information. One reason, for the information category to be emerged from the analysis data was that a knowledge-based organization's business is based on the information and knowledge which it has, or which it should have, and information has become a competitive advantage. (Siikaluoma, 2006, 56). The focus is not on terms like when the term information should be used instead of knowledge and opposite; thus the term information is used mainly in this study to cover the meanings of information or knowledge.

Power of Information

Companies' business is based on the information which they own. As Shapiro and Varian have proved above, information has value and it has become a vital factor in companies and organizations. Due to communications technologies, the amount of the information has increased enormously, and information is quickly available. That is one reason for the fact that it is more and more important to know how information is located, filtered and communicated. (Shapiro & Varian, 1999, 6).

Salminen (2001, 47-48) has emphasized the relations between information and decision making. Decision making is based on the certain information, its handling and communication. Communication has an important role when decisions are implemented. On the one hand, leading is about decision making, but on the other hand, influencing employees and their decision making environment.

Especially in knowledge-based organizations also employees make decisions concerning customers, commitment, atmosphere, innovations, ideas and information. Thus, decision making should be transferred to persons, who have

the best available knowledge. However, supervisors can use information for their own purposes and as a tool of power. They are hiding information because they are afraid of loosing their power and status. (Salminen 2001, 40; Ikävalko 1999, 60).

Information has to flow as openly as possible in organizations. In that way only the company is able to use individuals' knowledge totally. (Salminen, 70). Åberg 1997, 107-108) has also seen important that information is moving efficiently in organizations. If employees feel that information is not transferring, they fill the existing information gap by rumors and gossips. On the other hand, all information does not have to transferred, instead it can be stored to databases or to places, where employees can get it when needed.

The amount of information is a crucial dimension which influences everything in organizations. Earlier, in the mechanistic leadership culture the information was just sent linearly from managers to employees. The lack of information was typical and influenced negatively the work. By contrast, nowadays a huge amount of information has become an issue. Employees have to be protected from overloaded information. (Juholin 2006, 10, 22.) There has to be ways to sort information according to its importance and needs, or otherwise there is too much information and efficiency will decrease (Siikaluoma 2006, 55).

Many companies have tried to improve their leadership communication by sharing more information. The assumption has been that if employees get huge amounts of information, they will improve their performance and efficiently. On the contrary, it would be necessary to decrease information in some cases and focus more on which information is needed and who need it. One person can manage only with a limited amount of information. If persons work in an interactive cooperation, the responsibilities of managing the information can be shared. (Salminen 2001, 43, 56-57; Valjakka 1990, 130.)

From Information to Learning

Salminen (2001, 48) has pointed that individuals change information to knowledge by thinking analytically or choosing solutions emotionally. Aula (1999, 148) has mentioned that knowledge is needed so that organizations and employees can learn new things and develop new products and services. Besides, the learning approach directs to search relevant information as well as understanding and analyzing it. Accordingly, learning creates new information and knowledge. (Otala 2002, 120, 122-123).

A new concept has appeared, called the learning organization, which means the ability of an organization to use individuals and teams to learn for welfare of the company. The purpose of learning organizations is to create an atmosphere where continuous learning is supported; individuals are continuously improving their competences and changing their behavior according to new knowledge, and cooperating with the other members of the organization. (Otala 2002, 163.) Furthermore, Senge (1994, 14) has described the learning organization as an organization which is continually expanding its capacity to create its future.

Sydänmaalakka (2005, 102) has based his own model of intelligent leadership on the concept of learning organization, but he has added an idea that organizations use learning to apply emotional and spiritual intelligence, and also rational intelligence. Nonaka and Takeuchi (1995, 84) have created a model for organizational knowledge-creation, which is based on tacit and explicit knowledge. All those models which have different approaches are based on the information in the organization. It proves in how many different ways information can be used from the strategic and organizational point of view, and how it can influence leadership.

The subcategories of information, which emerged from the research data were business related information, employee related information, and tacit and explicit knowledge. They all were grounded by interaction (figure 6). Subcategories explain more the different kinds of information types, which companies and organizations have and which need to be communicated around

the organizations. Business related information and employee related information include mostly the same matters, which are explained in chapter 2.3. In chapters 4.1.1 and 4.1.2 the approach is more in information itself than in communications.
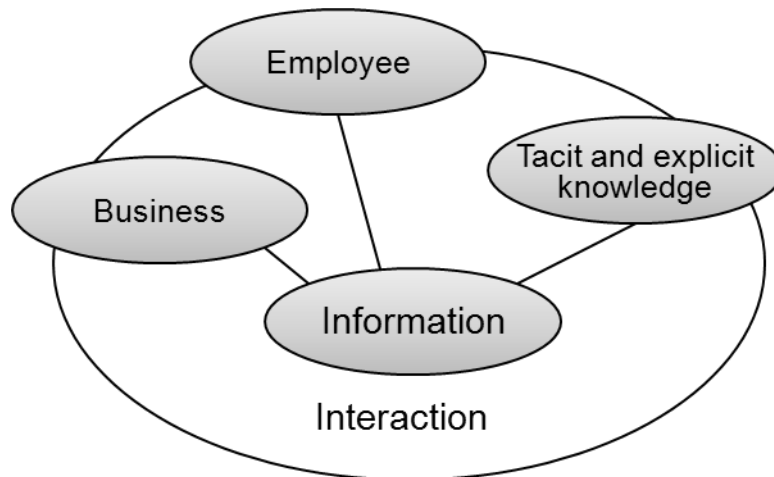
FIGURE 6. Information category and subcategories.

4.1.1 Business Related Information

In this study there is a strategy based approach for business related information. The strategy is seen as a core factor for all the business related information, because it is connecting, directing and driving all information in a company. The company's strategy defines the company's business, why the company exists, which are its products or services, goals, operations and economic basics. In addition, it gives a direction how the goals will be achieved. (Vanhala, Laukkanen & Koskinen 1994, 64.)

A century ago, it was not so important that employees were committed to the strategy. Industrial engineers and managers planned efficient work methods for each task, and hired uneducated and unskilled employees to do them after short training. Employees could manage with their work by doing the same simple tasks over and over again. Nowadays everyone who is working in knowledge-based organizations has to be oriented to the strategy to achieve the objectives. (Kaplan & Norton 2001, 211-212.) On the other hand, in

knowledge-based organizations the work itself and the work community mean a lot to employees' own identity and that affects the employees' interest in the organizations' vision, strategy and future (Juholin 2006, 91).

From employees point of view work has become more demanding and requires knowledge, skills and education. The traditional work functions are replaced by automation. Intangible capital like knowledge, capabilities and relationships created by employees, has become a competitive advantage for companies. Thus, strategy has to be implemented at every level of the organization including individuals. Besides, employees often find innovative and new ways to achieve strategic objectives or they are initiators of new strategies. Subsequently the management should encourage their employees to make strategic initiatives and proposals. (Kaplan & Norton 2001, 211-212, 315.)

Formisano (2003, 193-194) has also seen critical that everyone in the company understands the strategy because strategic initiatives can be found everywhere and by anyone. The extensive involvement makes it also easier to implement the strategy, because if employees are involved in the strategy developing from the beginning, their attitude towards it will be more positive.

Kaplan and Norton (2001, 73, 217) have concluded that strategy cannot be understood and adapted until employees first understand the company's vision. The vision describes the organization's direction to the future, and therefore helps the employees to understand why and how they should support the organization. Missions and values are quite stable all the time, but through the vision they move from stability to the dynamism of strategy.

Leadership communication has an essential role when employees are made to participate actively in the strategy process, implementation, and finally in adopting the strategy for their daily work. Kaplan and Norton have created a balanced scorecard model for strategy processes and communication is a part of the whole process. They have compared the strategy communication with launching new products. The approach is the same in both of the cases starting from education, testing, creating awareness and understanding, teaching others

and finally the results should be measured. Moreover, the management should also have a budget for communication and education. (Kaplan & Norton 2001, 217.)

Vanhala etc. (1994, 69) have pointed, that measurements and follow-up have to be made systematically. Some information can be gathered from the information systems, but it is more essential to focus on the fact that the critical and correct issues for the company are measured and followed. It gives information if the strategy is succeeded, it is in the right direction and how it should be changed.

Formisano (2003, 193-195) has defined the principles for leaders according to how they have to communicate and lead the strategy through the organization. Firstly, leaders need to understand the role of the whole organization when fulfilling the strategy. Secondly, the vision, goals and the strategy need to be so clear that they can be communicated. Thirdly, leaders have to ensure that resources, operations and the organization are in line with the strategy. Last, leaders need the skills and tools to implement the strategy in business, customer sales, services and supplier relationships. Further on, leaders act with their own example so that their decisions are in line with the strategic direction without any conflicts.

In the strategy implementation phase it is important to have operative plans and budget, which explain what should be done and when (Vanhala etc. 1994, 68.) Åberg (2000, 100) has mentioned that operative communication is needed so that employees are capable of doing their work and understanding how their actions affect the whole organization. Well managed communication increases employees' motivation.

Ikävalko (1999, 46) has seen the importance of internal marketing, which means that customers are not the only targets for marketing actions. Employees also have to know the company's products and services well despite their role in the organization. Holz (2004, 50) has added that employees need be aware of customers, markets, competitors and economy of the business. From the

leadership point of view this means that leaders have to ensure that employees have the knowledge necessary, and they understand the goals, strategies and their role in operations of the company. According to Åberg (2000, 214) the nearest supervisors have the most important role when sharing operative information due to their central position between the employees and the top management. On one hand, the nearest supervisors are able to understand the whole picture of the organization and on the other hand, the supervisors know the job tasks at the individual level.

The strategy process should be a continuous process in the company, and the company should change its strategy and operations accordingly. The need for changes can rise from the company, but also markets, competitors, technology or environment can be driving forces. Besides, it is characteristic of today's business environment that changes happen rapidly and are continuous. In a changing situation the leaders' role is to keep employees informed and motivated. Employees have to know what are expected from them and what the organization's objectives and goals are. (Kaplan & Norton 2001, 15, 353; Salminen 2001, 37; Vanhala etc. 1994, 87).

If the change in the organization is not managed well, it can turn into a crisis. Moreover, a crisis can be caused outside the company. Examples of crises are sudden events, accidents, emergencies, acts of terrorism, mechanical breakdowns and unexpected legal actions, which happen suddenly and unexpectedly. In emergencies the control over information is crucial; information has to be shared internally and externally, but the management has to control what information different audiences need. Thus, organizations should have crisis plans, where different scenarios are evaluated and communications models drafted. (Ruff & Aziz 2003, 3-11.)

4.1.2 Employee Related Information

Employee related information includes the matters which encourage employees to be committed and motivated to work, and it affects their feelings. Employees have to be oriented, which clarifies the company's way to work, its norms,

values and rules. Employees should get a general overview of the company, its products and services, which knowledge is needed to understand the whole picture. (Åberg 2000, 100; Ikävalko 1999, 46)

Human resources information is as essential as strategy information, although it does not affect directly and immediately employees' work, but in the long run their meaning increases. For example, employees' health care, development plans, career planning, education, benefits and social interaction have their effects on the whole organization finally, because those factors influence the employees' well-being, commitment, motivation and performance. Employees have to know what their rights and duties are. (Åberg 2000, 204; Holtz 2004, 38-49.)

4.1.3 Tacit and Explicit Knowledge

Nonaka and Takeuchi (1995, 3-9) have classified knowledge into tacit and explicit knowledge. Explicit knowledge is visible; it can be presented by words or numbers, and easily communicated and shared. It is typical of the Western management to value the explicit knowledge a lot of. Instead, the Japanese see the tacit knowledge more important. It is characteristic of the tacit knowledge that it is highly personal, subjective, intuitional and hard to formalize. Hence, it makes difficult to communicate and share it. The tacit knowledge reflects how an individual is seeing the world around and what the vision of the future is. From the technical point of view, the explicit knowledge can be processed, transmitted and stored digitally. On the contrary the tacit knowledge which has to be converted into words or numbers before it can be communicated, transferred or stored. Accordingly, it helps the company to see where it is going and how to achieve its goals.

Boone (2000, 131, 133) has described shortly that the tacit knowledge is the knowledge in an individual's head and the explicit knowledge is the knowledge that is captured and codified. Both of these need to be made visible in the organization, and it can happen by encouraging employees to share their knowledge. Technology can help in sharing, but due to an increasing amount of

information it is not an only solution. According to Aula (1999, 148, 150), the tacit knowledge influences employees' work, and how they understand the environment around them. It comes visible in their operations and intuitive decision making. Although the tacit knowledge is an individual resource, it benefits the whole organization.

Nonaka and Takeuchi (1995, 10, 13, 15) have developed a model of knowledge creation, where the tacit knowledge is converted to explicit, which makes it possible to create a totally new knowledge in the organization. Knowledge creation requires an individual's own experience, learning from others and interaction between the members of the organization. In the beginning the initiative for the knowledge creation depends on individuals, but after that group discussions, experience sharing and observation are essential. Employees have a crucial role when creating new knowledge due to their specialty and experience in technologies, products or markets. In this situation supervisors' main task is to ensure that right information is available and communicated to right persons, and to give the direction to employees. (Nonaka & Takeuchi 1995, 15.)

Kesti (2005, 30-31, 70-71) has approached the meaning of the tacit knowledge from the organization's point of view. The management and supervisors can improve the productivity of the organization, if they use the tacit knowledge for directing the operations. Weak signals are rising from the tacit knowledge, and they indicate employees' feelings which direct their actions. Weak signals can be investigated, for example, by discussions between supervisors and employees or by measurements. If weak signals are recognized at an early phase, it is possible to make proactive, corrective actions soon enough.

4.1.4 Summary of Information Category

Information has become a vital factor for knowledge based organizations and a competitive advantage, which has a certain value. It directs companies' strategies and businesses. Thus, it is critical for organizations, how the information is managed due to the huge amount of information available.

Organizations have to be able to store, change, update and filter the information efficiently and in addition, take care of meaningful communication. Information and knowledge management has an essential role due to the power of information. In knowledge-based organizations all employees need information for decision making despite of their positions. Employees make the decisions as well as their supervisors, for example, when they contact customers, suppliers, contractors and stakeholders.

For organizations continuous learning is essential because of the rapidly changing business environment. Learning is based on information searching, understanding and adopting. An individual's learning can be linked to the learning of the teams and organizations through effective leadership and information sharing. Besides, learning is a foundation of the knowledge creation process, when the individual's tacit knowledge is converted to the explicit knowledge.

A company's business related information means strategic information, which has to be shared inside the organization and its stakeholders. Basically, all information can be seen as strategic information; strategy itself, values, vision, mission and operative information are based on those facts. Information has to flow at every level in organizations, because many strategic initiatives can be made by employees.

Moreover, employee related information is a result of strategic decisions and plans. Its targets are to help employees in orientation and self-development, career planning and take care of benefits and salary issues. By sharing employee related information employees' well-being, motivation and commitment to work increases and employees are capable of working for the benefit of the organization.

Everyone in organizations should be involved in sharing tacit and explicit knowledge. The only way to make tacit knowledge to explicit, is to make it visible starting from the individual level. Intangible tacit knowledge is an important resource in organizations if it can be converted into explicit and

shared around the organizations. In that way it is possible to create new knowledge in the organizations, which can lead to improvements, new products or services and finally to increased profits.

4.2 Actors

As studied in chapter 2.1 communication was earlier seen as a very sender focused linear model. The sender sent a message through communications channels and the receiver decoded and interpreted it in the receiver's own way. The sender could not influence much if the message was received or how it was interpreted. Old hierarchical organizational top-down models supported this kind of communication, where the management decided what was communicated to employees. Employees had a very passive role only as message receivers (figure 7).
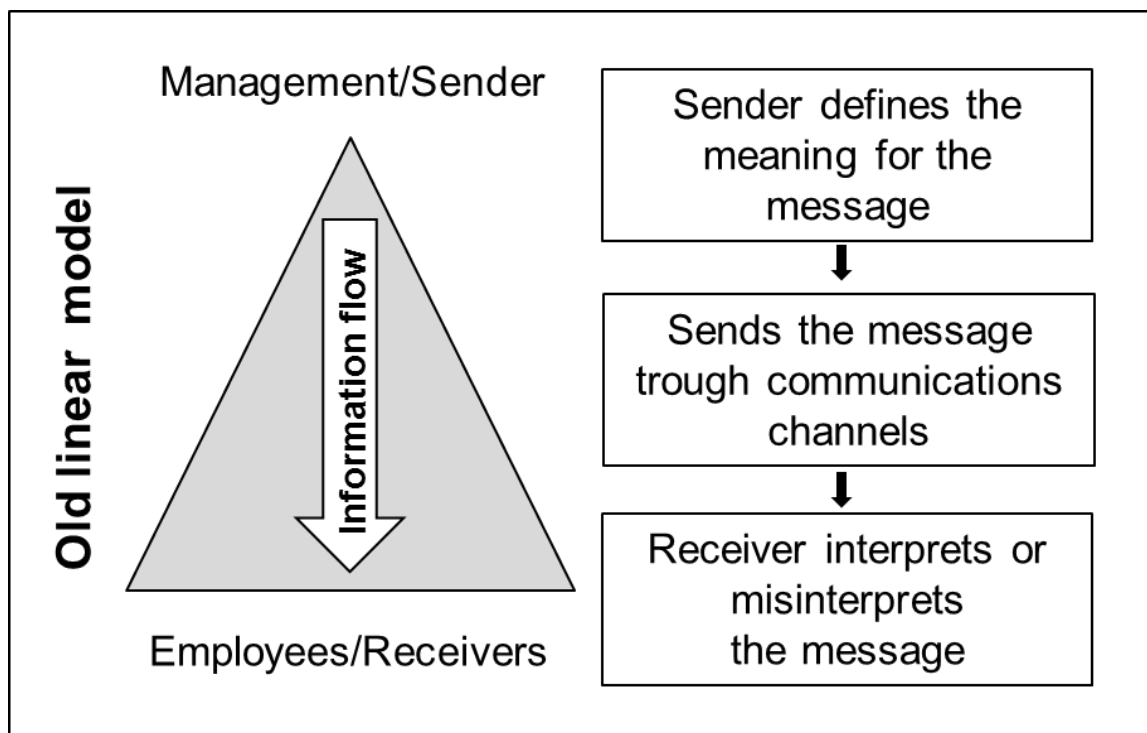
FIGURE 7. Old linear communication model. According to the old model the information flow cascaded down and employees were passive message receivers.

The modern bottom-up management is an opposite to the top-down model and its organization is of flat and horizontal shape. The hierarchy and layers of an organization are minimized and leading is not anymore based on command and control style. Instead, employees are working independently in knowledge based organizations. (Nonaka & Takeuchi 1995, 125-126.)

The changes in leadership and organizations have also influenced communication, which is not any longer only communications professionals' or leaders' responsibility. Effective leadership communication is an interactive dialogue, in which all members of the organization and stakeholders are involved as actors and thus, communication roles of the organization's members have changed (figure 8). (Kalla 2006, 101; Juholin 2007, 87; Sydänmaalakka 2005, 126.)
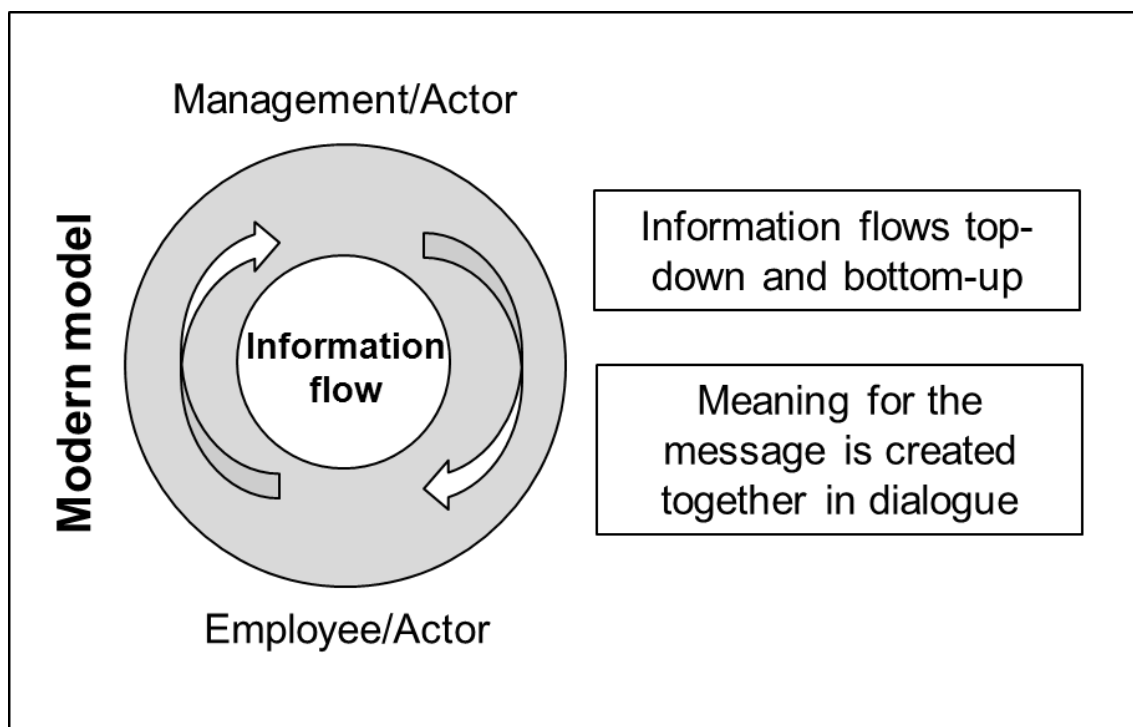
FIGURE 8. Modern communication model. In the modern model information flows around the organization, top-down and bottom-up, vertically and horizontally.

Everyone within the organization is responsible for communication, and it is not only a functional responsibility of marketing, communications professionals or human resources. (Baldoni 2003, 9). Because communication belongs to everyone it requires interactive dialogue, which means that everyone is an active actor in communication. It is not limited to concern only the members of the organization. Moreover, stakeholders have a role in it, because they are influencing the organization's actions, strategy, publicity and brand. Hence, different kinds of collaboration models are increasing, and the work is done with customers, partners and stakeholders. (Juholin 2006, 92; Malmelin & Hakala 2005, 137).

In this study Actors category were covered to concern all parties, which are related to leadership communication in organizations. Four subcategories were found, and they were leaders, communications professionals, employees and stakeholders (figure 9).
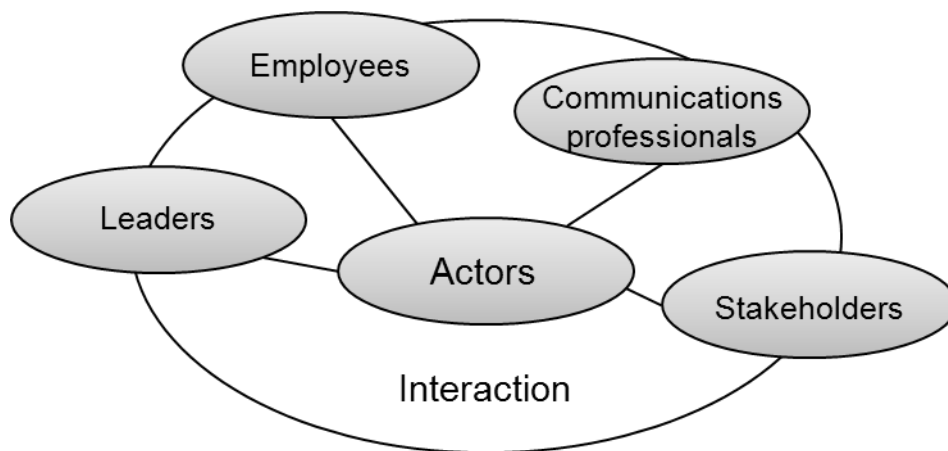
FIGURE 9. Actors category and subcategories: Leaders, Employees, Communications professionals and Stakeholders. All actors are in interactive relationship with each others.

4.2.1 Leaders

In Strandman's (2009, 202-203, 211) research concerning strategy communication in municipality organizations the key findings were that strategy communication should be based on interactive dialogue with all parties in the

organization to get common understanding and interpretation of the strategy. Leaders' should act as models to the others and be supportive and present. Leading by showing their own example the management is committed to the organization's strategy and objectives. Furthermore, this creates the basics for the credibility of the organization's operations.

Kesti (2006, 167) has emphasized that the supervisors' interactive communication is the best way to engage employees to actual matters. The most important characteristics of the supervisors' communication are supportively, equality and regularity. According to Salminen (2001, 80-81) supervisors' ability to influence employees by communication is dependent on their competences, credibility, knowledge, personality, charisma, team support, political skills, and communication skills which are essential for them.

The middle-level management has a critical role in communication due to their position between the top management and front-line-employees. Thus, they are both communication receivers and senders. For example when employees have to get their message through to the management, middle-level managers are usually the actors who deliver the message to the management. Thus, they have to understand both the sides and understand the meaning of the matter in its wider perspective. The issues can concern e.g. employees' initiatives, knowledge and strategic matters. (Malmelin & Hakala 2005, 132-133; Nonaka & Takeuchi 1995, 125-126.)

Baldoni (2003, 6) has also mentioned the importance of leadership communication when engaging, gaining commitment and building bond of trust between leaders and employees. By leadership communication it is possible to fulfill results efficiently as well as make leaders and employees gain a common understanding of goals and how to achieve them. Boone (2000, ix) has summarized that instead of managing, leaders should make things happen together with employees and take advantage of their wisdom. Basically, leaders are communicating issues related to strategy, vision and mission, operative actions and driving initiatives and changes (Baldoni 2003, 6-7).

Achieving employees' commitment has been seen as an important goal for leadership communication, but there are also other views about it. Joensuu (2006, 187-189) has proposed based on her research that the idea of commitment should be rejected, because it does not anymore benefit either the employer nor the employee due to changed work methods. An employee's life is like series of projects, and it does not develop the employee's competences if committing to certain organization or work. Instead, the target of commitment is changing from the organization into developing the employee itself. Continuously renewed organizations do not support loyalty and commitment. Consequently, the organization can replace the requirement of commitment by requirement of information and knowledge capital.

4.2.2 Employees

Employees in knowledge-based organizations are not only receivers of information; instead they are involved in providing, using and sharing it interactively. On the other hand, it is assumed that employees can spontaneously evaluate the meaning of information and make decisions concerning information sharing and discussion. Besides it is expected that employees take responsibility of updating and relevancy of information. Although supervisors are important sources of the information given to employees, they make by themselves the final conclusions about the usage of information. (Juholin 2007, 87-89.)

From the employees point of view communication is a way to ensure the employees' own marketing value and create the networks based on their own personal motives. The employees have to develop their communication and influencing skills and be capable of working interactively. (Joensuu 2006, 187-188.) Malmelin and Hakala (2005, 127) have approached communication from the point of view of marketing. One main goal for internal communications is that employees are the company's best marketing resources due to their contacts to stakeholders. The employees have their own networks, which include probably providers, investors, family, relatives and friends. Further on, family, relatives and friends have their own relationships to stakeholders, and

the information is shared though them as well. The negative side is the fact that nearby network is not as loyal to the company as its own employees are, and thus, they share the information more openly.

Particularly technological applications and the internet have increased employees' possibilities to share their information widely to their own networks. Especially the usage of the social media has changed individuals' communications. The social media can be understood as online communities, which make it possible to share information, knowledge and opinions on the internet. It is a conversational ecosystem based on interactions. (Safko & Brake 2009, 4, 6-7).

There are many popular communities like Facebook and LinkedIn, which employees use in their daily lives. Facebook is mostly used for being connected with friends and it has over 500 million active users in 2011 (www.facebook.com, Feb 20, 2011). LinkedIn is intended more for professionals, and it has over 90 million users in the world (www.linkedin.com, Feb 20, 2011). There are already several examples, when employees have shared negative information to their friends concerning their employers. The information is spread in an uncontrolled way in the community and, finally, someone has informed the company about the issue. As a result of employees' negative writings they have been fired. (Kaleva, Jan 1, 2011.)

Generally, social interactions are important to employees to satisfy their social needs and for information sharing. Actually it is the most common way to share information and knowledge between employees and it happens everywhere when employees are contacting each other or their friends or stakeholders physically or online. Social interactions cannot be led by supervisors or communications professionals. (Holtz 2004, 50-51; Åberg 2000, 100.)

4.2.3 Communications Professionals

Even if it is realized that leaders have an important role in communication, it does not mean that there are no needs for communications professionals in the

organization. Internal communications have to be linked to strategy, business, and be coordinated and planned. It has to be based on defined objectives and procedures. It can be seen as part of all business, because the company's imago is the result of all the actions how the company communicates with its target groups. (Smith & Mounter 2005, 19-21; Luoto 1990, 57.)

Åberg (2000, 151) and Ikävalko (1999, 19) have mentioned profiling as an essential task for internal communications and communications professionals. Profiling can be understood as imago or brand building, because it links together the story of the company, its history, current state and vision. Suokko (2007, 62, 74) has defined brand that it is all the actions and ways of working; everyone in a company are communicating the brand through their actions and behavior.

Because communication is an essential skill for everyone in knowledge-based organizations, everyone is responsible for it as well. Communications professionals' role is to support them, and coach especially managers to communicate more professionally. Communications professionals are needed when communication strategies are created, communication processes and tools developed and information shared. In addition, professionals should support front-line staff, employees who are in contact with customers. Professionals know the target groups, they have skills to create contents of communication materials and they are experts when defining communications channels and timing actions. (Smith & Mounter 2005, 18-22.)

In addition, communications professionals have an overall picture of all the communication in a company and, moreover, of what is happening in the external media. Employees are reading newspapers and following the media; the news are affecting them. The news and messages should be consistent with internal communications, and, on the other hand, speculations in the media concerning the company should be communicated and discussed also internally. (Malmelin & Hakala 2005, 134; Smith & Mounter 2005, 19-21.) Besides, media and public monitoring is important, because it is a way to recognize weak signals and trends at an early phase. These can affect

remarkably the company's strategy, products and services. (Suokko 2007, 157; Åberg 2000, 238-239.) Communications professionals can be involved in creating a supportive environment, which encourages creativeness and innovativeness. Furthermore, cooperation between the actors is vital for communication. (Tukiainen 2006, 22.)

4.2.4 Stakeholders

All stakeholder groups are not equally important to the company. By prioritizing the stakeholders it is easier for the company to communicate and cooperate with them. The importance of stakeholders depends on how much power they have of the company, or what the justification of the requirements is, or how fast their requirements must be met. Thus, it is crucial to know the stakeholders, and what their objectives, motivates and action are. (Malmelin & Hakala 2005, 143-144.)

Knowing the stakeholders makes it easier to tailor communication for them so that there will be a common understanding between the organization and the stakeholders about the matters. Besides, it also makes it easier to decide what kind of information is shared with different stakeholders. For example, customers are interested in products, but investors more in the organization's performance and profit. Knowing the stakeholders is essential, when the stakeholders are partners or competitors. Communication has to be done without risking the confidential information and competitive advantage. (Vuokko 2002, 12; (Boone 2000, 229.)

In the best case stakeholder relationships benefit both the stakeholders and the organization and happen with dynamic interaction: stakeholders give feedback to the organization and thus, the organization takes initiatives and develops their products further; or the organization creates knowledge, which benefits the stakeholders and their knowledge creation. (Nonaka & Takeuchi 1995, 89.)

Technology, especially the internet, has increased spontaneous interactions between companies and customers. For example customers, who give

feedback to companies via internet and this way help companies to gather and create information and knowledge. In those cases, the problematic question is that who owns the information. (Boone 2000, 249.) According to Joensuu's (2006, 199) research, customers should be seen as internal operators, whose needs should direct the goals of communication instead of the organization's goals. Consequently, interaction between customers and employees is meaningful for the organization.

On the other hand, stakeholders can also have a very negative influence on the company, if the organization has failed with one stakeholder group. For example, a loss of customers can lead to negative publicity, which can affect the company's requirement campaign. (Malmelin & Hakala 2005, 137.) Due to increasing stakeholder contacts and relationships, everyone in the organization has to be aware of the risks and, on the other hand, benefits. Stakeholder communication can be a very sensible area due to the complexity of the business environment. It is not anymore so clear who is in or out of the organization, because of outsourcing deals, temporary work contracts and remote work. (Tukiainen 2006, 22.)

4.2.5 Summary of Actors Category

As a summary, the old linear communication models are not anymore working in knowledge-based organizations. Nowadays leaders are not the only ones who own information and make the decisions how and with whom it should be shared. Information and knowledge are decentralized around the organization and its employees. Employees are experts and know more than their leaders. They are mostly working in teams, and contacting most important stakeholders regularly. They know the best what is going on in the front-line of the organization due to their relationships and competences. Because of their role, they have become active communicators in the company and their role should be strongly supported by the management.

This approach has changed the whole picture of communications. Communication should not any longer be done according to the top-down

model, but, instead, also bottom-up and vertically. Leaders' should ensure that information flows interactively in organizations. They should focus more on leadership communication, which helps employees to do their jobs. In addition, leaders should support employees to use and share their tacit knowledge for knowledge creation. Being as a role model is important to leaders. They should show that they are personally committed to the organization's strategy and objectives, and be present for the employees.

Communications professionals should support everyone in the organization, but especially the leaders. Communication responsibilities cannot be left for the managers or in opposite for the professionals. Communication has to be led by the top management and they have to be committed to it, but, in addition, professionals are definitely needed when communication actions are planned. Professionals have the best knowledge of organization's target groups, communication practices and strategies. They have also an overall view of the company's communication and in addition, they follow the media and external publicity continually.

The field of organizational communication has become more and more complex due to current business environment. It is not enough that communication is working inside the organization. External groups cannot be left outside of communication, because they are also affecting the organization's actions or are involved in actions. Stakeholder groups can provide the organization with valuable information, which can bring competitive advantage for it. On the other hand, if stakeholder relationships failure, negative news can spread widely, and harm the organization's business. The goal for organization's communication is to achieve a common understanding with stakeholders in interactive relationships.

4.3 Sharing

As mentioned in chapter 4.1, information and knowledge are valuable and critical factors and a competitive advantage for knowledge-based organizations. Their importance depends on how information and knowledge are used and

shared around. Former leaders shared information from top to down, but nowadays everyone is as an active actor and sharing information, as pointed in chapter 4.2. According to the old linear communication model and the process model the approach for communication was in channels and the context. They were seen as separated parts of communication. Due to the changed business environment and communication requirements, the approach for communication should be changed as well. (Juholin 2007, 88).

Communication should be based on dialogue between the actors, and its goal should be shared in understanding and interpretation between the different parties. (Strandman 2009, 207; Joensuu 2006, 199; Kalla 2006, 100.) Moreover, Juholin (2007, 88) has proposed that instead of focusing on communications channels or contexts, the focus should be on communications forums where the information is shared interactively between all actors. Boone (2000, ix) has also mentioned that good communication is not anymore just about sending messages. Leaders have to interact with people and make things happen together.

Although employees are as experts in knowledge-based organizations and their role is more equal to that of leaders than earlier, the leaders are still their supervisors who have more decision-making power (Åberg 2000, 231). For example, leaders direct development discussions, meetings, setting objectives, lead operative actions and influence the atmosphere at work. They also manage the tensions arising from supervisor-employee relationships. (Rouhiainen-Neunhäuserer 2009, 93-94.) Due to the leaders' position and tasks, their role is essential when creating and leading interactive information sharing forums. Accordingly, the forums are also places or spaces where leadership communication happens.

Leader's Communication Skills

It depends on the leader's communication competences, how well interactive information sharing succeeds, thus in that sense, the leader's competences and skills influence a lot on information sharing. Rouhiainen-Neunhäuserer's (2009,

175-176) have examined that interpersonal communication competence is a central factor of leadership communication competence in a knowledge-based organization. In addition, employees' communication and interaction objectives influence the leader's interpersonal communication. When the leader is using effective and meaningful interpersonal communication competence, it means that the employees' are valued, supported and trusted. Leadership communication is interactive, open, clear and reliable.

Salminen (2001, 80, 233) has listed three basic skills for leaders, which are discussion, presentation and writing skills. Further, he has reminded that leadership communication demands ability to evaluate and manage the leader's own speechless communication. Shared information should also include the right and relevant facts.

Besides, it can be possible to influence the employees' motivation by contents which affect their emotions, values and attitudes. Listening is part of communication. Boone (2000, 207) has pointed that interactive leadership is not possible without listening skills. The leader has to listen across organizations, listen to customers, partners, contractors, employees, other leaders and make employees in the organization listen to each other.

Formal and Informal Dimensions

Another dimension for information sharing is how formal or informal communication is. Formal communication is mainly done by communications professionals and leaders, e.g. official messages and presentations. Formal communication is also led by professionals and leaders. Instead of formal communication there is a lot of informal information sharing between actors in the organization. As an example of informal communications are chats around coffee machines or during lunch breaks or when any social interaction is happening. It is the most common way to share information in the organization. (Kalla 2006, 77, 86, 129; Holtz 2004, 50-51.)

According to Joensuu (2006, 174) it is typical of knowledge-based organizations that relationships between employees and leaders are changing more equally. Moreover, social relationships with colleagues are seen more important than earlier as well as relaxed atmosphere at work. Consequently, informal communication will increase and become more important for organizations.

Salminen (2001, 77-78) and Ikävalko (1999, 50) have also seen problems because informal communication cannot be led. It does not necessarily support the management's objectives and purposes due to communicators' own motives. For example, competitors, customers, subcontractors and employees can share actively wrong information for their own reasons.

According to an analysis, sharing is one of the central categories, which influences leadership communication. Sharing describes how the information flows in a knowledge-based organization. Information is not just sent or delivered to receivers like in the former linear communication model; instead information is shared with everyone so that they can be involved in the process and interpretation of the information. The subcategories of the Sharing category emerged Channels and Forums (figure 10). The Channels subcategory defines mainly the tools, which leaders use for messages or information delivery. The Forums subcategory defines more the environment and circumstances, in which the leaders can share the information and knowledge interactively.

Because these channels are strongly related to technical tools used for communications, the usage of them differs and changes according to technological innovations and circumstances, as an example print media and internet usage. When some messages were earlier sent by post, they are nowadays sent by emails. As an illustration how technology affects communications channels, Luoto's (1990, 106) assumption in 1990 was that the videotape would be one of the most important communications equipment in the future because it would be easy to transfer, copy and present to different kinds of audiences. The assumption proved to be wrong when digital tools replaced videos.

Consequently, communications channels are not listed and analyzed at a very deep level in this study, instead the approach is more in interactive communications forums. On the other hand, communications forums are more essential for leadership communication than technology and tools, because the idea behind the forum is in its interactiveness. (Juholin 2007, 87.) Anyway, the channels and forums are not separated parts of sharing. For example, when analyzing face-to-face communication, is it seen as a channel or a forum? The answer is that it can act as a channel but also as a forum for information sharing.
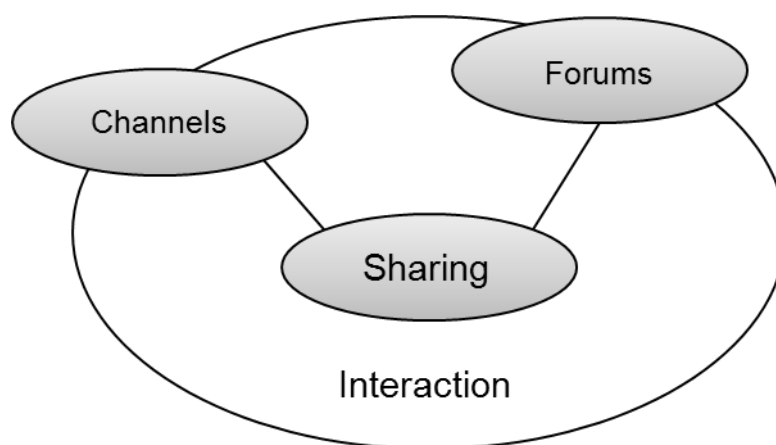
FIGURE10. Sharing category and subcategories.

4.3.1 Channels

Norton and Kaplan (2000, 219) have listed communications channels according to their interactiveness for rich and lean channels. Rich channels allow leaders to communicate the message in a personal manner, respond to questions and get immediate feedback from employees. Communication happens interactively and effectively, but is not always useful due to costs and limited target groups. Lean channels are not so interactive, but they make it possible to share the information to larger target groups with a lower budget (figure 11).

Leadership Communication Channels

Rich

Interactive

- One-on-One
- Face-to-Face communication
- Telephone conversations
- Small group meetings
- Video conferencing, webcasting
- Social media (Facebook, Twitter, YouTube)
- Intranet / internet chats
- Email
- Intranet / internet
- Large group meetings
- Text messages
- Newsletters
- Reports
- Brochures
- Magazines
- Bulletins

Lean

Passive

FIGURE 11. Dimensions of the communications channels. Source: The Strategy-Focused Organization (Kaplan & Norton 2000, 219), modified by Rissanen, M., 2011.

From the leadership point of view two-way communication makes easy it to ensure that employees have understood the messages, and misunderstandings can be quickly corrected. Personal influence is not necessarily always a benefit, because if there are negative feelings between the communicators, it can affect communication. (Vuokko 2002, 35.) Although, face-to-face communication is at the top of the list of rich channels, but in knowledge-based organizations it cannot be always an option due to decentralized structure. Consequently, virtual interactions will increase as well as importance of information and communications technologies. (Sydänmaalakka 2006, 126.)

Face-to-face communication can be targeted to only one person as in one-on-one discussion or to a larger group at the same time as in team meetings, department meetings, and road shows. There are several variations and possibilities. If it is not possible to arrange a face-to-face meeting due to employees' locations or other reasons, webcasting can be one solution to

replace it. Webcasting allows the leader to speak one-on-one with everyone in the organization at the same time. It is not either so expensive a way to share information than face-to-face. (Smith & Mounter 2005, 76; Baldoni 2003, 50.)

Kupriz and Cowell (2010, 54-82) have examined how the management could productively communicate with their employees through email, to argument face-to-face contacts. Main findings from the research were that face-to-face communication should be preferred when there are uncertain and equivocal situations or confidential and sensitive situations. They can be e.g. human resource issues, discussions concerning an employee's performance and coaching or any negative feedback. Instead, email is useful especially in security and safety issues, which information needs to be delivered immediately to employees.

According to Kupriz's and Cowell's research email usage and its importance are highly related to timing requirements. If employees have to react quickly to the issues, email is a fast channel to achieve the employees' attention. In addition, when there is a need to share detailed information and use documentation, email is more suitable than face-to-face contacts. As the summary of their research, leaner media are preferable in certain, unequivocal and time-sensitive situations like meeting times, training times and policy changes. Richer media should be used in uncertain situations, and for confidential and personal related news. Moreover, organizations should continually evaluate the effectiveness of communications channels.

Dulye (1993, 25) has studied that there are a lot of limitations why traditional communications channels like print media are not suitable in an uncertain work environment. Newsletters, bulletins, magazines, brochures, posters and annual reports are published according to a fixed schedule and for large target groups. This is why they are too slow, too general and only one-way communication. Instead, information should be delivered faster due to the changing business environment. Communication should happen continuously and tailored for target groups. Managers have become primary information sources for employees and in the opposite, employees are giving feedback to the

management, which enables a two-way communication flow. The print media can be used as a supportive communications channel and for advertising purposes. For example, an organization can print their vision, mission and values on cards and share them to all their employees. (Baldoni 2003, 50-51.)

Boone (2000, 46) has mentioned that email is still the most popular interactive technology, in addition to cell phones, used in knowledge-based organizations. With emails it is important for leaders and employees to limit the amount of email due to the overloaded amount of information. Other important e-communications channels are internet, intranet and extranet. Intranet is limited to be used by employees and extranet by suppliers. Both intranet and extranet make it possible to store useful background information for users and the information is available always when needed. In addition, most of former print media materials are nowadays available in intranet or delivered through emails. From the communication perspective the screen-based media is not as readable as printed materials due to technical limitations. Moreover, intranet offers an interactive tool for employees, because it is also possible to use discussion groups and chats. Text messages via cell phones are meaningful channels, when there is a need to deliver short news flashes and alerts. (Smith & Mounter 2005, 80, 169.)

The meaning of the social media as communications channels and forums are increasing enormously. For example, Facebook had during its first year in 2004 one million active users. Next year in 2005 there were already over 5,5 million active users and in 2010 over 500 million active users. (Facebook, Feb 27, 2011.) Kaplan and Haenlein (2010, 61-62) have defined that the social media is a group of internet-based applications that are using Web 2.0 platforms. They have divided the social media into six different types according to their features. Collaborative projects allow end users to create, add and change the information, which is shared to everyone openly by using wikis, e.g. online encyclopedia Wikipedia.

Blogs are personal diaries of a specific content area. Although blogs are usually managed by one person, users can comment interactively the blogs. YouTube,

Flicker and Slideshare are examples of contents communities, the main objective of which is sharing the media contents between the users. Especially YouTube is used for advertising purposes of companies. Social networking sites allow users to create personal profiles and connect each others, and Facebook is the largest social networking site. In virtual game worlds users can create personalized avatars and interact with others as in real life. There are their own rules in the game world which users have to follow. Moreover, the virtual social world is also part of the social media. Users live virtually in the world, where users create contents, life environment with property and virtual currency. (Kaplan & Haenlein 2010, 63-64.)

Many companies use the social media to improve their relationships with employees, customers and stakeholders. The social media is used for communication and for marketing purposes. The social media is a very interactive channel, and it gives companies a way to have a personal touch with their relationships. They are also useful when trying to influence the users' beliefs and attitudes. (Weinberg & Pehlivan 2011, 2-6.) The rules of the social media are not clear enough and that can affect the organization's willingness to join the communities or to limit its usage. Some organizations have solved these problems by defining specific rules for their employees, what they are allowed to write in the Facebook concerning their colleagues or organizations, and other organizations have denied the Facebook updates at work. (Koivu, 2/2011, 6-9; Kaleva.fi, Mar 8, 2011.)

Friedl and Verčič (2011, 84-86) have researched the behavior of "digital natives" who are young workers born after 1980. They are surrounded by technological devices and the social media is part of this new generation's universe. Companies should not ignore their needs and expectations and thus, companies should focus on how to adapt the social media efficiently in communication. According to Fiedl's and Verčič's study, digital natives prefer digital media in their lives, but not necessarily in their business lives by contrast to common assumptions. Accordingly, there is no need to replace all traditional communications channels by social media, but the social media should be included into the internal communications channels. One big issue concerning

the social media is how a user's privacy is protected. For example concerning the Facebook there has been a lot of debate, who owns the users' materials in the Facebook, who have rights for them, who are using them and who have accesses to the materials. (Kaleva, Aug 2, 2010).

Shelby (1988, 16-17) has emphasized that leaders should choose communications channels based on strategic decisions and clear reasons. It depends on goals, costs, benefits, needs to influence and effectiveness of the available channel. Before selecting the communications channels, leaders have to segment their target group whose messages can be tailored, and to clarify the timing requirements. For example in crisis situations internal target groups need more specific information than external groups, but all of them need information immediately. (Smith and Mounter 2005, 85; Ruff & Aziz 2003, 3.) Technology has made it possible to share information quickly at the same time for large target groups. Finally, information should be shared through various channels to achieve the best results. (Smith and Mounter 2005, 85).

4.3.2 Forums

The main point of Forums category is that forums are interactive spaces where leaders can share information interactively with employees and on the other hand, employees can share their feedback and information with leaders and with each others. In forums information flows vertically and horizontally. Techniques are not so essential; rather leaders' and employees' communication skills and environment are more essential factors. (Juholin 2007, 88; Kalla 2006, 101.)

There are several ways to create interactive communications forums. The first step for interactive leadership communication is to link people together. When people are in touch with each other and they have access to knowledge, the organization can create an environment for creative ideas and intellectual capital. By interactive communication leaders get employees involved in sharing. (Baldoni 2003, 130; Boone 2000, 25, 35.)

Benefits of the personal conversations are that there is a high level of intimacy between the persons, which can be difficult to achieve in larger group meetings. Informal person-to-person discussions happen daily at work between leaders and employees, and when employees are discussing with each others. (Juholin 2006, 71; Kalla 2006, 86; Boone 2000, 208.) Examples of formal person-to-person conversations are regular development discussions between supervisors and employees. Person-to-person discussions are useful especially when supervisors have to tell personal related issues to employees. Discussion can concern the employees' performance, changes, feedback or confidential information. The employees have also a possibility to communicate interactively with supervisors. (Helsilä 2002, 94-95.)

Boone (2000, 209-212) has proposed that when face-to-face meetings are arranged for larger groups than ten people, the groups should be shared for the smaller groups, which encourages more for interaction. Even in mega-conversations, the meetings can be very effective and interactive, if the conversations have first done in smaller groups. Moreover, Farrant (2003, 34, 52) has mentioned that mega-conversations or conferences offer a good forum for networking with peers and when new policies, plans and directions have to be created. Farrant has seen small group meetings, as team meetings, very important from the internal communications point of view to cascade information around the organization.

Other interactive face-to-face forums, which can be used in organizations, are town-hall meetings, road shows, customer events, focus groups, surveys and informal events. The leaders' role is to ensure that conversations are well-constructed, and everyone's ideas are appreciated and shared openly and finally, things and decisions are implemented. (Farrant 2003, 33; Boone 2000, 215, 223). As mentioned in chapter 4.3.1, it is not always possible to arrange face-to-face meetings due to high expenses or limitation of time. In those cases it is possible to use communications forums which are based on technical channels or solutions as teleconference, videoconference, webcasting, social media, chats, internet and intranet (figure 12). Almost the same methods can be used in forums as in face-to-face communication.

Leadership Communications Forums

Higher interactivity

One-on-one
- Discussions and meetings
- Development discussions

Face-to-face communication
- Informal discussions
- Team meetings
- Small group meetings
- Large group meetings
- Road shows
- Events

Technology based communication
- Telephone conversations
- Chats
- Video conferences, webcasting
- Social media
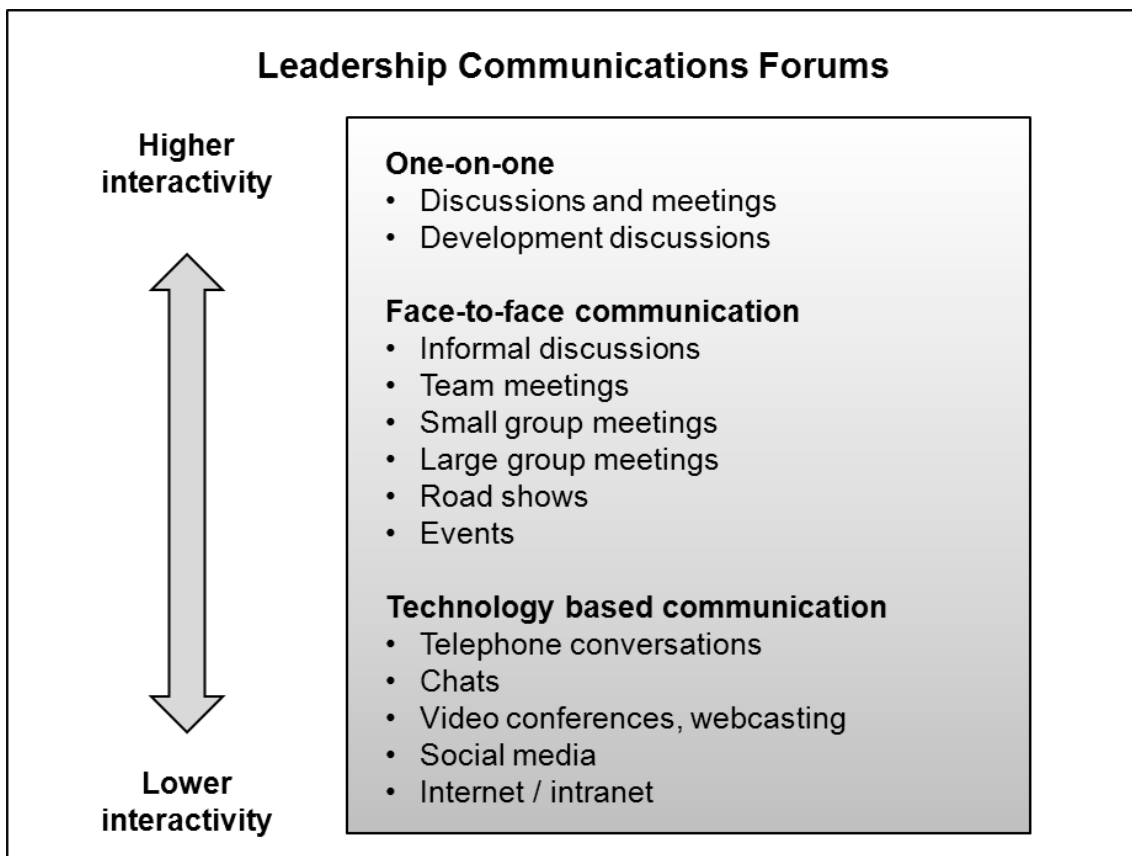- Internet / intranet

Lower interactivity

FIGURE 12. Leadership communications forums. One-on-One conversation is the most interactive way of communication. Technology also offers ways to communicate interactively although it is not as effective as face-to-face communication.

There are many ways of how leaders can make the communications forums more interactive. Baldoni (2003, 131) has suggested leaders to interact with games, music, lighting, products, clothing and internet. For example the leader can play some "walk-on" music and lower lighting before going on the stage. If the leader is wearing a suit, it gives a signal of a formal event; by contrast wearing jeans gives the impression of an informal event. Boone (2000, 81, 143, 204) has reminded that organization's rituals and experiences effectively influence its employees. In addition, employees in business are visually starved, because the contents of communication materials are mainly based on text, not visual elements. Anyway, the most important principle in leadership

communication is that the leader's actions, budgets, programs, rewards, behavior and processes communicate louder than any words.

Further on, story telling is an effective way to influence employees and offer experiences. Everyone is telling stories, and it is typical of being humans. Stories are told everywhere, on the phone, at a coffee machine, those are part of conversations. Story telling is one of the most powerful tools in communications and leadership. Stories are one way for human beings to understand, experience, communicate and try to influence others. Stories strongly influence emotions. (Smith & Mounter 2005, 129; Baldoni 2003, 178; Farrant 2003, 63.)

Leaders can use stories for the purposes of the organization, and sources for the stories can be found in the organization. There can be e.g. legends, which stories can teach something, or stories can simply be created together with the employees. Stories can be useful vision tools, when employees are imaging the future of the team and the organization. (Baldoni 2003, 184-185.)

For example, Ziegler (2011) has described the memos of Stephen Elop, CEO of a mobile phone company, the most exciting and interesting memos ever seen. Elop has used a story to tell Nokia's employees about Nokia's critical market situation. It was shared to Nokia's employees few days before the company's Capital Markets Day event, and everyone was waiting for the strategic decisions of the company's future.

> There is a pertinent story about a man who was working on an oil platform in the North Sea. He woke up one night from a loud explosion, which suddenly set his entire oil platform on fire. In mere moments, he was surrounded by flames. Through the smoke and heat, he barely made his way out of the chaos to the platform's edge. When he looked down over the edge, all he could see were the dark, cold, foreboding Atlantic waters.
>
> As the fire approached him, the man had mere seconds to react. He could stand on the platform, and inevitably be consumed by the burning flames. Or, he could plunge 30 meters in to the freezing waters. The man was standing upon a "burning platform," and he needed to make a choice.

He decided to jump. It was unexpected. In ordinary circumstances, the man would never consider plunging into icy waters. But these were not ordinary times - his platform was on fire. The man survived the fall and the waters. After he was rescued, he noted that a "burning platform" caused a radical change in his behaviour. (…) Nokia, our platform is burning. (…) The burning platform, upon which the man found himself, caused the man to shift his behaviour, and take a bold and brave step into an uncertain future. He was able to tell his story. Now, we have a great opportunity to do the same. (Ziegler, Engadged web magazine, Feb 9, 2011.)

The letter of the story was sent to employees by email, which was not a very interactive channel, but when the news was published around the world in web newsletters and magazines, there were thousands of readers' comments at the end of the news articles. Many of them were Nokia's customers, employees, stakeholders or users by using competitors' mobile phones, and they all were involved in the discussion, sharing opinions, feelings and information. The web environment made issues interactive for everyone who was connected to the internet.

4.3.3 Summary of Sharing Category

The main point in the sharing category is that information has to be shared top-down and bottom-up directions. Information has to flow both horizontally and vertically around the organization. The sharing term in this context means that everyone in organizations is sharing the information interactively, not just sending messages to receivers. Everyone is responsible that information and knowledge are moving and common understanding and interpretation of it is created together in a dialogue. Thus, leaders' and employees' communication skills are emphasized. Especially the leaders' skills are essential, because they influence more than employees on how well the sharing is succeeding in the organization.

Information and knowledge sharing have formal and informal dimensions, which mean that those can be shared for example through formal meetings, events or newsletters or in informal conversations between colleagues during coffee breaks. Traditionally the focus in sharing has been on communications

channels and which channels are used for messages. In the knowledge-based organization the focus should be more on forums, which makes it possible to have that interactive dialogue. In practice, the channels are still used and leaders have to be capable of making decisions on how and when to use them.

Communications channels have dimensions according to how powerful and interactive the channels are. Hence, the channels can be classified how rich or lean they are. For example face-to-face communication is a very interactive way to communicate, compared to the print media, which is more like one-way communications. The approach to channels is based mainly on technical solutions, and thus the usage of different channels is changing according to the technical development. For example the social media is a quite new channel which prefers informal communication. Organizations are still finding their ways of how to use the social media, although many employees have already adopted it in their daily lives and communicating also work related matters through it. Leaders should be aware of their employees' behavior and attitudes so as to be able to react in the right way when choosing channels for their information.

The approach to forums is based on the idea of interactive communication. The term forum is used in this study to describe the places, spaces, areas or ways, where communication can happen interactively between all the actors. The leaders' role is to actively create the forums or lead the forums so that everyone can be involved in information and knowledge sharing interactively. The focus is on the dialogue and open environment, where all ideas are taken into consideration and everyone is respected. The forums are mainly based on face-to-face interactions, but they can be also replaced by using technological solutions as teleconferences, videoconferences, webcasting, chats and internet or intranet.

Leaders can support interactive communication in forums many ways. They can influence their employees by experiences or examples. They can use speechless communications, body language, lightning, music, games, visual elements and stories. Only imagination limits the interaction. Maybe the most

important principle is that communications have to be in line with leaders' actions. Otherwise leaders will loose the reliability of communication.

4.4 Conditions

According to Strauss and Corbin (1998, 181-195) it is important to understand the micro and macro conditions of the phenomenon under study. A wider perspective helps to understand the consequences and systematic explanations of phenomena. Strauss and Corbin have created their own conditional matrix model, which is explained in chapter 3.2.

Because there are several factors influencing the interactive leadership communication in organization, modified model of Strauss's and Corbin's conditional matrix was used in this study to clarify them. Thus, conditions emerged in their own category, and factors and their consequences are described in the matrix model (figure 13). The subcategory, the Internal conditions, explains the micro conditions which are influencing leadership communication inside the organization (figure 14). The subcategory, External conditions, defines the macro conditions caused from outside the organization, but which influence the actions of the organization (figure 15). Besides, the internal conditions of the organization can also influence its external conditions.

In addition, all the conditions analyzed in the matrix are interactively connecting each other and influencing the leaders and their communication. The conditional matrix analysis is mainly based on previous chapters 4.1 Information, 4.2 Actors and 4.3 Sharing, and the analysis shows how those factors are related to each other and a wider business environment. To summarize, the focus of analysis is on the conditions around leadership communication.
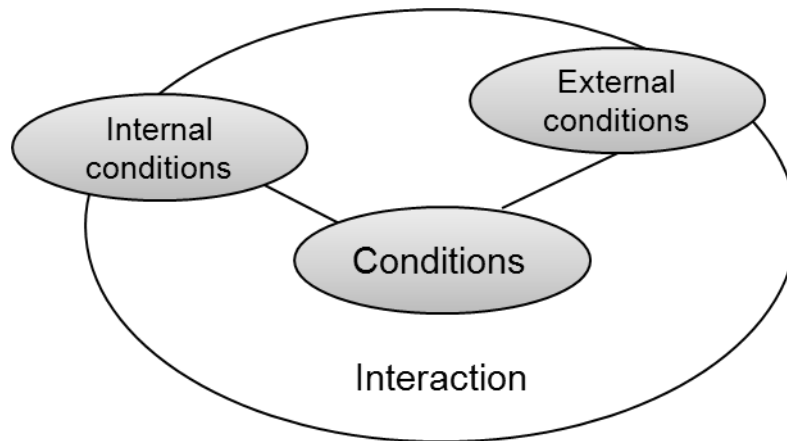
FIGURE 13. Conditions category and subcategories. Condition analysis explains how internal and external factors and phenomena influence on leadership communication.

4.4.1 Internal Conditions

Leader

In the middle of the spiral there is the studied phenomenon, leadership communication (figure 14). On the circumference there are the other factors which influence leadership communication inside the organization. The leader's role as a communicator is explained in chapter 4.2.1. The key points were that the leader should act as example to the others in the organization and ensure that the employees have all the information that they need to get their jobs done.

The leader's own personal communication skills are essential to successful leadership communication. In addition, the leader's personality and leadership style influence communication. Salminen (2001, 75, 127) has mentioned especially the meaning of the leader's speechless communication, which influence employees and the company's culture. Speechless communication is problematic, because it can be interpreted wrongly very easily. The leader should have a wider perspective of the whole organization, company and business environment.

Moreover, the leader has a key role in creating an interactive communication climate and communications forums in the organization. It demands creativity and innovation from the leader, but solutions do not need to be complicated. For example an interactive meeting environment can be created by rearranging furniture and sitting places so that the environment encourages for interactivity and dialogue between participants. (Boone 2000, 63.)

Actors

Personal characters, values, attitudes, needs and motives direct individuals' behavior in the organization. Personal values define how individuals control and understand the world around them and how individual sense good and bad. Accordingly, values direct individuals' actions, attitudes and motives. Thus, leaders should also be capable of leading the individual personal organizational behavior. (Vanhala etc. 1994, 141-143.)

In addition, feelings have to take into consideration especially in changing situations, and leaders can influence their employees' positive feelings and well-being by communication. One of the employees' basic needs is feeling of safety, and without it successful change is not possible. With the feeling of safety employees can be trustful on the future, adopt new information and support the change in the organization. Besides, negative feelings as fears and aggression can prevent communication. For example, due to fears, employees hide information or spread rumors and wrong information. Leadership communication has to support employees so that they feel to be part of the organization and they have power for decision making. Consequently, feelings influence the employees' commitment to work. (Salminen 2001, 33, 138-161.)

Stakeholders' role and influence as actors has been studied in chapter 4.2.4. According to it stakeholders are an important target group of leadership communications due to their role as partners, suppliers, retailers or external work force. They have also to be informed from the organization's issues. On the other hand they are essential information and knowledge sources for the

organization. As well as, are stakeholders sharing the information related to the organization with their own stakeholders. (Ikävalko 1999, 195.)

Organization/Company

A company's culture consists of several levels. Firstly, there are values, beliefs, rules and norms, which are usually documented in a written format. Secondly, at a deeper level there are different stories, myths, symbols, legends and heroes, which are usually told orally inside the organization. In addition, there is a hidden level, which consists of basic assumptions depending on the individuals' own cultural backgrounds. It comes explicit, for example, when discussing about the equality of sexes. The organization's culture is based on several factors like nationality, geographical location, business, strong leaders and structures. (Bartlett & Davidsson 2003, 16, 65; Helsilä 2002, 56.)

The organization's culture affects the organization's climate and actions. It defines what is allowed to do or what is forbidden to do in the organization: for example, regarding clothes, language, behavior and decision-making process. (Bartlett & Davidsson 2003, 66.) Especially values define which things are meaningful, good or bad in the organization. They are like a statement of the organization to act and consequently, directing the leadership and the organization's operations. (Helsilä 2002, 57-58.)

According to Salminen (2001, 113-126) the organization's culture and the leadership are linked together, because culture strongly influences information sharing and handling. If the culture is supporting complicated organizational structures, hierarchy, internal competition, and preventive procedures and rules, it can prevent the information flow due to limited interactions. Leaders can change the culture e.g. by recruiting new employees with different ways and attitudes, implementing values and procedures, changing structures and supporting different behavior. (Salminen 2001, 113-126.)

Ikävalko (1999, 13) has classified organizations into three groups according to their views of communication. An organization, which is an active

communicator, has written communication objectives and strategies. It has a proactive role in communication and the organization's things are communicated openly. A reactive organization does not have communication plans, but information is shared if it is requested. A passive organization does not communicate externally at all. If someone is asking for information, the organization denies cooperation and information sharing. Organizations do not always behave in the same way; they can vary communication according to situations.

In knowledge-based organizations globalization has increased due to competition, technology and business as mentioned in chapter 2.2 in this study. That is the reason why employees have to understand also cultures and diversity around the organization. By understanding different cultures, it makes easier to build relationships with customers and stakeholders from different environments, and understand their needs and expectations.
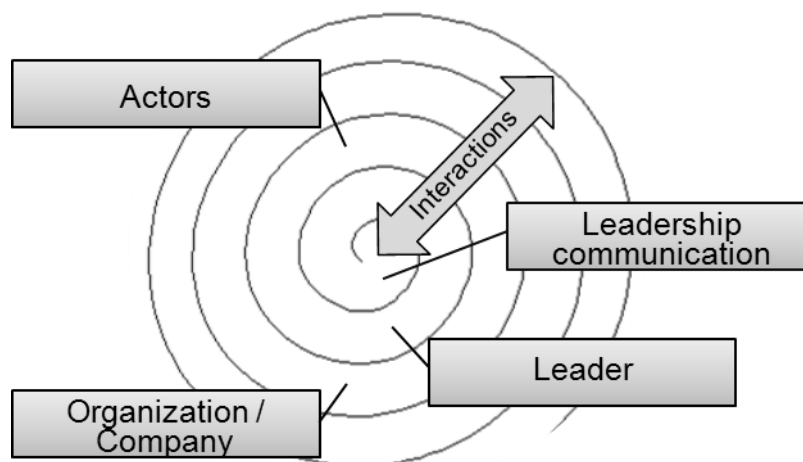

FIGURE 14. Internal conditions. Leader, actors and organization influence leadership communication. Source: Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory (Strauss & Corbin, 1998, 184), modified by Rissanen, M., 2011.

4.4.2 External Conditions

External Stakeholders

In addition to stakeholders, who have a business relationship with the organization, there are also stakeholder groups outside the company who are interested in the company's actions. Those stakeholders can be, for example, work associations, consumer associations, environment associations or civil groups. They can try to pressure and affect the company's decisions and actions. Besides, they can share the information regarding the company and influence the public and the media. (Malmelin & Hakala 2005, 137-140.)

Media

The media follows and evaluates actively and critically companies' performances and business, and its attitudes influence the demands of the company's products or services, performance, operatives and brand. The company can try to influence the media by communication but so do also others; stakeholders, civil groups, analysts and competitors. (Malmelin & Hakala 2005, 141-142.)

Technology has increased the power of the media; the news spreads immediately globally through the internet and the social media. Public discussions in the media affect the company's work climate, business and performance; thus, employees have to be aware of the rules in the media environment. (Safko & Brake 2009, 4; Tukiainen 2006, 22-23.)

Customers / Public

Joensuu (2006, 188) has seen the customer as the organization's internal actor, whose role will increase and consequently, affect the goals of internal communications. Thus, there should be an interactive relationship between the customer and the organization. Malmelin and Hakala (2005, 138) have also emphasized that the organization should not just send messages to customers,

instead they should build relationships with them. Customers are nowadays more aware of their power and not loyal to brands or services and products of companies. Moreover, if they are not satisfied with companies, they share their experiences with others. Nonaka and Takeuchi (1995, 89) have seen customers as information and feedback sources of knowledge-based organizations.

Regional / Global

Economic interaction, business and telecommunications technologies have broken down geographical boundaries. The world is more mobile and virtual, and globalization has changed the business environment radically. (Bartlett & Davidsson 2003, 11-12.)

Organizations live in macro systems, which include societies, countries, continents and the world. The macro system includes financial, technological, political, sociological, ecological and spiritual factors, which are influencing organizations' actions. Thus, organizations should see the whole entity instead of focusing only on their own environment, and the macro perspective should be taken into consideration in leadership. (Sydänmaalakka 2005, 134-135.)

As illustrations of regional disasters which affected global economy were an earthquake, a tsunami and a nuclear plant catastrophe in Japan in March 2011. Due to the disaster the nation's major exporters shut down most of their factories, and thus Japan's supply chain of high-value goods was limited. (Isidore, CNNMoney.com, Mar 14, 2011.)

In addition, understanding different cultures is essential when interacting with nationalities. It is important to know how individuals in different countries, regions or communities think, act, what they appreciate, how they feel and react. Without cultural knowledge individuals cannot create a common interpretation of messages with each others. (Väkevä 2006, 73-74.)
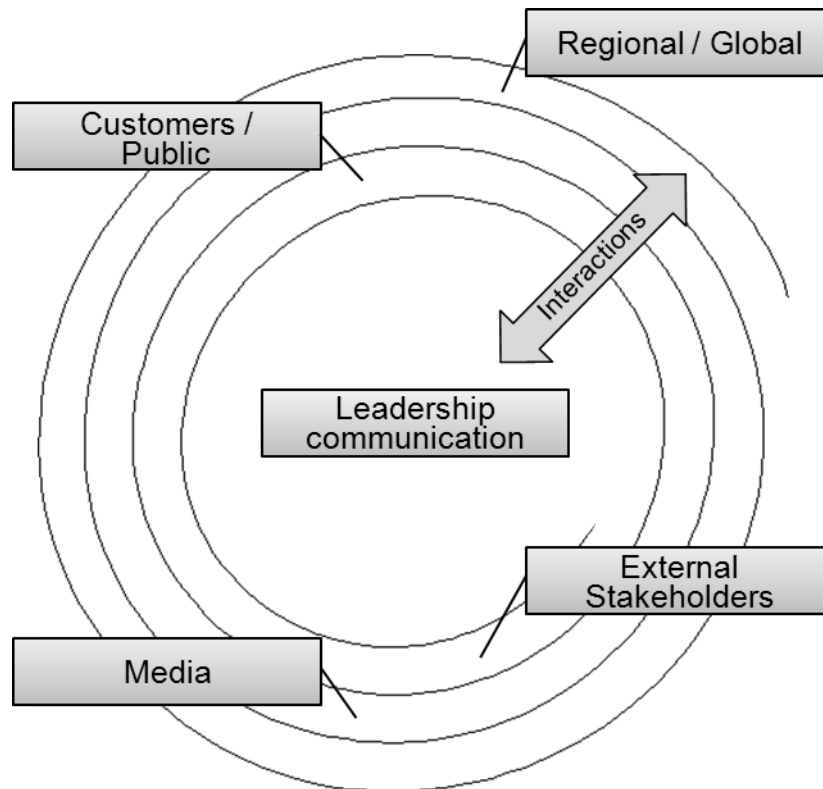
FIGURE 15. External conditions. External stakeholders, customers, public, media and global environment influence leadership communication and organization's internal conditions. Source: Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory (Strauss & Corbin, 1998, 184), modified by Rissanen, M., 2011.

4.4.3 Summary of Condition Category

Leadership communication conditions were analyzed by using Strauss's and Corbin's conditional matrix model. The analysis indicated the factors which affect leadership communication in organizations. The micro conditions inside the organizations affect macro conditions and on the contrary, macro conditions affect micro conditions. Thus, organizations cannot just focus on their own business without recognizing the wider consequences.

Leaders' own example, personality, skills and leadership style affect leadership in organizations. They are in key roles when creating interactive communication climate and organizational culture. Organizations' other actors, employees and

stakeholders have their own individual basic assumptions, characters, values, attitudes, needs, motives and feelings, which affect how they behave in organizations. They are information sources, but, on the other hand they share the information with each other and outside organizations.

Each organization has its own culture, which defines the organizational values, beliefs, rules, norms, history and basic assumptions. The organization's culture may differ from national or regional cultures; it is created from business perspectives and can be changed according to new requirements, which can arise from business, national or global environment, employees, stakeholders, customers and laws. Consequently, organizational culture and leadership communication are linked tightly together.

External conditions come from outside the organization. External stakeholders, media and customers are interested in the company related to issues and sharing the information around. They have their own motives to influence companies, for example, when customers are not satisfied with the company's products or services, or civil associations want to change the company's equality politics. It can be a vital competitive advantage for organizations to react the requirements.

Due to economic interactions, telecommunications technologies and virtual environments, the world has become like a global village. On the other hand, the global world consists of different nationalities and cultures. Subsequently, understanding cultures has become more important for knowledge-based organizations. Besides, financial, technological, political, sociological, ecological and spiritual factors in macro systems influence organizations.

4.5 Follow-Up

Aula (1999, 103) has emphasized that the organization cannot work effectively without a feedback system. With a working feedback system the organization becomes proactive; it can create its own future, not only react the changes around. Sydänmaalakka (2005, 130) has seen the feedback system as a basic

requirement for the learning, growth and development of the organization, team and individuals. Furthermore, it helps to follow the organization's performance.

Kaplan and Norton (2001, 14-15) have mentioned the feedback system a crucial part of a company's strategy process, which makes the process interactive and productive. The feedback system encourages everyone in the organization to be involved in the strategy process and share information and new ideas with each other continuously. Because of the interactive relationship between employees and managers, the organization can react immediately to the needs for changes or emerged ideas, and improve its performance accordingly.

Kesti (2006, 31-33) has focused on the meanings of weak signals in his approach. According to Kesti, it is essential for an organization to monitor and measure weak signals, which arise from the organization's tacit knowledge or from outside of the organization. In monitoring the purpose it is to get information concerning employees' opinions of actions and development needs in the organization. Accordingly, the organization can prioritize the central success factors and find the trends and, consequently, change its direction. Åberg (2000, 238) and Ikävalko (1999, 312) have also emphasized the importance of monitoring when clarifying internal and external conditions in organizations.

To summarize, there are several factors, why organization must have a proper feedback system to measure the business goals. Due to the leaders' essential role as communicators, which is described in chapter 4.3, leadership communication needs to be also under continuous evaluation. Leaders gather and share information and, further, are responsible for the organization's follow-up actions. Besides, the organization's feedback systems are mostly based on communication solutions (Åberg 2000, 238).

Malmelin and Hakala (2005, 104-106) have mentioned several problems concerning measurement of communication. Because communication is dependent on interpretation and mental images, they cannot be impressed by

statistics or numbers. The dilemma of communication is that companies' top managements and communications professionals are demanding measurable results as to communication although those cannot always be provided. Malmelin and Hakala have pointed that it is typical of communication that it is undetermined, and due to it communication processes and influences cannot be evaluated quantitatively or calculated in euros.

Despite of challenges in its measurement, communication research is an essential part of communication and organization's actions. Communication research can be used to investigate how effective a organization's communication is, which communications channels and forums should be used, how the information is shared in organizations and what the general communication satisfaction is. (Ikävalko 1999, 312-313.)

As analyzed in this chapter, there are many terms used to describe the follow-up actions as a feedback system, monitoring and communication measurement. In this study the term follow-up is used in the sense of continuous leadership communication evaluation, and the emerged category is named accordingly. The term follow-up emphasizes the knowledge-based organization's requirement for a continuous interactive follow-up process, which is done on the daily basis instead of a periodically gathered feedback. This approach is in line, for example, with Nonaka's and Takeuchi's (2005, 129-130) view concerning the leader's role in a knowledge-based organization and the importance of a continuous follow-up process.

Follow-up has to be based on measures, which makes it possible to evaluate the efficiency of communication. Hence, the organization has to define what is to be measured, why, how and what the objectives for the results are. Quantitative measures give more statistical information, in contrast to qualitative measures, which explain more the reasons behind the phenomena. Further, there are different communication methods, which can be used if the purpose is to get qualitative or quantitative feedback. (Smith & Mounter 2005, 176; Ikävalko 1999, 16; Vanhala etc. 1994, 68-69.) Consequently, there emerged two subcategories for Follow-Up category, Qualitative and Quantitative

feedback subcategories (figure 16). The Qualitative feedback subcategory analysis examines the quality of leadership communication, and the Quantitative feedback subcategory focuses on what kind of information statistics and numbers give from leadership communication.
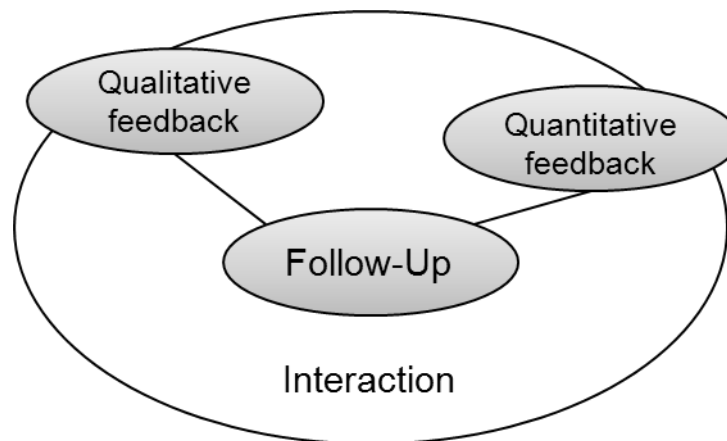
FIGURE 16. Follow-Up category and its subcategories. Follow-Up means actions, how leadership communication can support to follow organization's performance, actions, information and climate.

4.5.1 Qualitative Feedback

Because the quality of leadership communication is primarily defined by the individuals who are participating in communication, the measurement has to be based on their views and experiences of the quality. It is possible to get qualitative feedback by making open questions for actors in the organization, and the most effective way is to use rich interactive communications channels and forums. For example interviews carried out face-to-face give a possibility to understand what individuals think about the organization and how they evaluate leadership communication. Furthermore, issues can be discussed openly and deeply. (Holtz 2004, 251, 253; Baldoni 2003, 44; Helsilä 2002, 94.)

Development discussion is an essential leadership tool. It is also an effective two-way feedback channel between the leader and the employee. The leader can ensure in the development discussion that the employee has understood the organization's goals, individual's goals and evaluate the employee's

performance. Likewise the employee can give feedback to the leader from his own perspective. Both parties have a possibility to ask and listen. The basic idea in the development discussion is that the employee is the initiator and the leader's role is to focus on the employee's issues and views. Although development discussions are often carried out once or twice a year, the agreed goals and performance have to be followed regularly during the year. (Valpola 2002, 9-14, 152.)

Focus groups are useful, especially, when leaders want to get feedback from specific issues. Participants can be chosen to represent different groups so that their opinions give different viewpoints for the issue under discussion. The leader's role is to be more as a facilitator in focus group meetings and to give a possibility for an interactive conversation between the members of the groups. One way to get direct feedback from employees and large groups is to arrange now and then meetings, whose only purpose is to discuss of feedback issues. In addition, the leader's can gather feedback and follow improvements without any specific arrangements. "Walk arounds" at work, in halls and cafeterias, are an effective way to find out what employees are thinking. (Holtz 2004, 260; Baldoni 2003, 45, 58.)

Leaders should offer their employees possibilities to give continuous feedback in addition to day-to-day leadership communication. For example, feedback boxes and intranet discussion forums give a chance to employees to share their feedback and initiatives at any time. Possibilities for anonymously made comments can increase their activity. The requirement for an interactive follow-up system means that leaders handle the feedbacks and initiatives, inform the decisions and improvements made accordingly and reward productive initiatives. To keep the employees' motivation, the feedback should be handled quickly and communicated openly. (Malmelin & Hakala 2005, 135; Helsilä 2002, 91-93.)

4.5.2 Quantitative Feedback

Leadership communication can be measured by doing quantitative researches, which give numbers and statistics as results. The benefit of a quantitative research is that feedback can be easier and faster gathered than qualitative feedback. Moreover, quantitative research is also a cheaper way to get feedback, because face-to-face arrangements are not necessarily needed. On the other hand, numbers and statistics themselves do not explain much, thus it is essential to analyze the reasons behind the figures, and it can make the analysis process more complicated. In addition, quantitative research is no such interactive way to gather feedback as is qualitative research. (Smith & Mounter 2005, 184.)

One advantage of quantitative measurement is that statistical results can be compared easily with former results and the measurement can be repeated later in the same way. Before measurement, the organization has to investigate its baseline, which shows the existing level of the research area. It can be done e.g. by benchmarking the other similar organizations. When new results are compared with the baseline, changes and improvements can be analyzed more effectively. (Smith & Mounter 2005, 177; Holtz 2004, 255.)

Surveys are one way to evaluate leadership communication. They can be used, when there is a need to gather feedback from large groups like all employees in the organization. Leaders can use surveys, for example, when gathering information of their employees' satisfaction, opinions, attitudes, beliefs, behavior and atmosphere. The format of surveys can vary according to the organization's needs and culture, and they can be done online, by email and on paper. Leaders should have a business reason when doing the surveys, because if surveys are often used, they only create noise in the organization. One advantage of these surveys is that when they are made automatically and online, there is no risk for human errors. The results give the leaders the direction what need to be improved and a basis for development plans. (Smith & Mounter 2005, 177; Holtz 2004, 256, 258; Baldoni 2003, 45; Helsilä 2002, 102-103.)

It is easy to get statistics of different communications channels and forums, which leaders are using, but it is more difficult to find reasonable usage for statistics. For example in measurement, how many hits there have been in the intranet per site, which does not actually explain if the visitor has found the needed information. Instead, the usage of the intranet can explain more the employees' behavior; when they use the intranet and if there are peak hours, and what information they use or what information is probably missing. When measuring the usage of communications channels and forums, the leader should focus on how the different target groups use the tools. Consequently, results can help the leaders to target their communication to people by using the right channels and forums. (Smith & Mounter 2005, 184; Holtz 2004, 249, 253)

In addition, leaders can use communication audits to evaluate the status of leadership communication. Audits are usually used, when there is a need to get more detailed information and feedback of communication. To avoid subjective perspective audits are often done by external consultants. (Smith & Mounter 2005, 182.)

4.5.3 Summary of Follow-Up Category

The follow-up system has a strategic meaning for the organization. It helps the organization to follow its actions and direction, and, on the other hand, it is like an interactive tool for leaders and employees to develop the organization. For leaders the follow-up system has two different dimensions. Through the follow-up system they gather feedback from the organization's actors, which can lead to corrective actions in the organization, or give new strategic initiatives for the organization's business. Furthermore, by gathering feedback leaders get valuable information of leadership communication, which influences information sharing and the leaders' communication competences. Continuous follow-up is an essential requirement for organizations and leaders, which means that the gathered feedback is analyzed, actions are taken, implemented and followed regularly.

There are challenges to evaluate leadership communication, because communication is dependent on many variable factors. Actors participating in communication interpret the information from their own views, and thus the interpretation of the same information can differ between the individuals. Evaluation can be based on qualitative or quantitative measurement methods. Qualitative methods require a more interactive approach than quantitative methods, because they help to understand more the actors' mental images, interpretations, attitudes and experiences. Quantitative methods give more numerical and statistical information, which are suitable when feedback is gathered from large groups at the same time or the feedback has to be compared with other groups, individuals or different time periods.

Situations which are suitable for gathering qualitative feedback of leadership communication are face-to-face meetings or interactive on-line meetings, one-to-one conversations, development discussions or focus group meetings, in other words, all situations in which actors and leaders have interactive conversations with each other.

Quantitative feedback can be gathered by using benchmarking, surveys, intranet statistic and audits. The analysis of the data requires understanding the reasons and consequences behind the numerical data. The results can give information of the employees' attitudes, beliefs, opinions, behavior and climate. In addition, the quantitative measurement can explain how individuals use communications channels and forums and, thus, leaders get valuable information how the communication should be targeted and which tools should be used for each of the target groups. Besides, the measurement can expose the weaknesses of the leadership communication.

5 INTERACTION AS BASIS FOR LEADERSHIP COMMUNICATION

5.1 Communication Moves Information

Knowledge-based organizations are working in a different way from the former mechanistic industries. Mechanic work has been automated and in many cases transferred to the cheap production countries and knowledge work has stayed in developed countries. Besides, knowledge-based work can be done anywhere due to communications technologies, and thus globalization in the business environment has changed remarkably. Knowledge has become a competitive advantage and valuable capital, and consequently the organization's success is dependent on what information it has, who owns it, how it can get needed information and how it uses and manages the information.

Due to overloaded information, the organization should be capable of searching and choosing meaningful information, thus the relationship with all parties is essential. Valuable strategic information can be found anywhere, for example, from the customer's feedback. As important as it is to manage with the existing information is the ability to create totally new information.

Information and knowledge management is emphasized, because information exists at all levels of organizations and, in addition, outside organizations. In knowledge-based organizations leaders are not anymore the only persons that have and who need information. Employees have become experts, who often know more than their leaders about the job tasks. Besides, employees also make strategic and operative decisions, which affect the product, services, customers, markets and performance of the organization.

Also stakeholders, customers, public and media affect the organization. Thus, the organization cannot ignore their influence and power. They all make decisions related to the organization and they express their expectations, needs and motives somehow. For example customers decide what products or services they use, and the media controls what kind of information they are

publishing about the organization. Furthermore, they all are sharing the organization related information with their families, friends, discussion forums, social media and public.

Communication is a power which moves the information. Besides, it affects emotions, motivation, and well-being and work satisfaction. Earlier in the mechanistic industry, leaders owned the information and controlled the information flow in the organization. They decided how the information was communicated and with whom. In knowledge-based organizations leaders are still in a key position what comes to information, but for different reasons. Communication should be one of the main responsibilities for leaders, because they can influence how information flows between the actors of the organization.

Leadership communication is a method for leaders to direct actions in the organization, and to ensure that all employees have the information what they need to get their work done. The organization's strategy, values and mission direct leadership communication and define the objectives of communication. Leadership communication should be continuous, open and interactive, because in knowledge-based organizations all parties should be able to create their interpretation of the information together.

5.2 Interactive Leadership Communication Space Model

As a result of three phased analysis process in this study, "interaction" emerged to be the core category and an essential character for leadership communication in the knowledge-based organization. Interaction connected the other categories and subcategories together. Consequently, it became an essential factor of leadership communication.

Based on the results of this study, an Interactive leadership communication space model was created. This is also called Space model later in this study. It illustrates the leadership communication in a knowledge-based organization, and can also be seen as an expanded model of the modern communication

model (figure 8), where leaders and employees are creating the meaning of the message together in a dialogue.

In the Space model the approach is more comprehensive; leadership communication is an interactive space instead of senders, receivers, communications channels or forums. As mentioned in chapter 2, we always communicate: by speaking, with gestures, with body language, on paper, electrically, with different symbols, by keeping a loud voice or by being silent (Vuokko 2003,11). Leadership communication is not a separated part of an organization's communication which happens between individuals or target groups. It does not only mean the actions, when the leader sends messages to the employees or arrange a meeting or have a discussion with employees. Instead, leadership communication means all that communication, when the leader is in interaction with individuals someway.

The Interactive leadership communication space model can be used as a method of leadership communication. It includes all elements that affect leadership communication. In the core of the Space model there are the same main factors, which emerge in this study: information, actors, sharing, conditions and follow-up (figure 17). They all affect simultaneously the leadership communication and are connected to each other. Subsequently, it is not possible to focus only on one factor without at looking the other as well. In addition, the main factors are divided into smaller parts, which help to understand leadership communication in detailed.
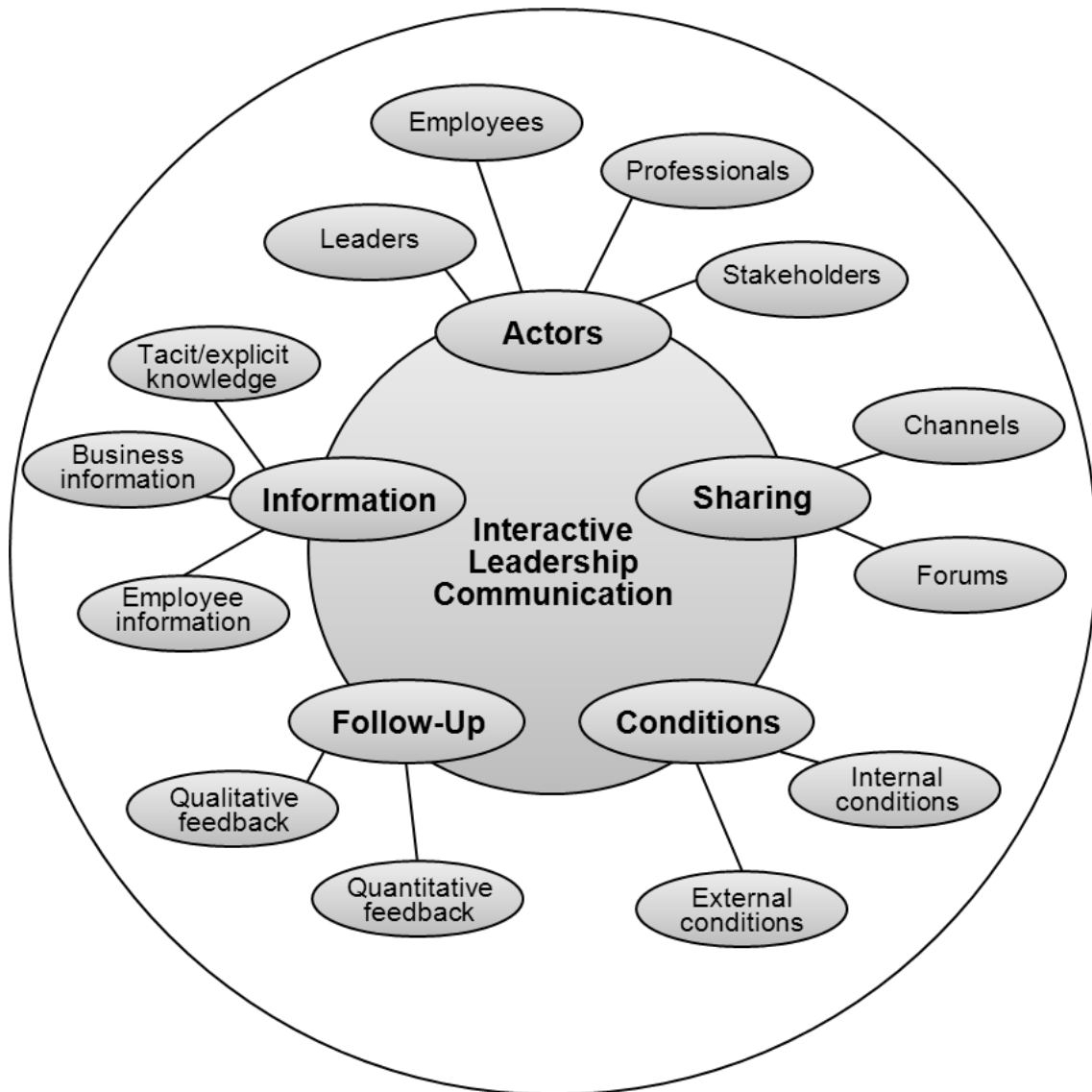
FIGURE 17. Interactive leadership communication space model.

The main factors are positioned in the inner circle, which illustrates that leadership communication can be approached from different perspectives and modified accordingly. For instance, if the leader wants to know what certain stakeholders are thinking of the company, communication can be approached from the follow-up factor. On the other hand, if the leader needs to inform the employees concerning the organization's performance, leadership communication is approached from the point of view of the information (figure 18).

In addition, matters in factors can also be triggers for the communication. For example, if there is a disaster in some country, it can cause delays to the supply chain of components and therefore affect the organization's production. Hence, the leader has to communicate with the employees and stakeholders. Despite of the perspective of the Space model, the leader has to take into consideration all the other factors as well and their consequences to leadership communication.
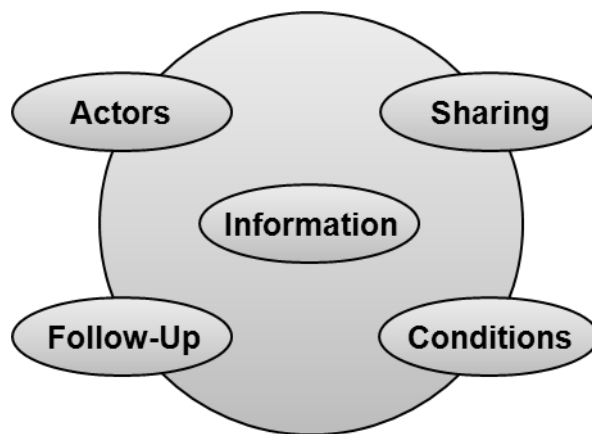
FIGURE 18. Example of different approaches to space model.

Business information includes all the strategic information of an organization like strategy, values, mission, processes and procedures. It is like an engine of the organization, which keeps up the whole business. The employee information keeps up the employees' development, learning, career, motivation, commitment and well-being. The tacit and explicit knowledge means all the individual knowledge that the organization's actors have. It is an invisible power in the organization, which becomes a valuable resource when the tacit knowledge is converted into explicit. It can be a source for new ideas, improvements and strategic initiatives. By making tacit knowledge into explicit, the organization can create new knowledge, which can become a competitive advantage.

Communication belong everyone in a knowledge-based organization. Employees, leaders, communications professionals and stakeholders are all gathering, using and creating information. Thus, they are actors of leadership

communication. Leaders and communications professionals can influence that all parties have possibilities for communication, but they cannot force anyone for information sharing. It is important that the organization's structure, culture and climate encourage and motivate actors for communication. They have to feel that their opinions, knowledge and ideas are valued, and they have the power to influence the organization.

Leaders' role is important when sharing the information. The leaders can influence a lot how all parties can communicate interactively by making needed arrangements. The focus should not be on communications channels, forums or technology itself, but those are tools for communication. Leaders should use communication solutions, which support interactions between the actors. The target of communication should be that the parties involved can create a common interpretation of the information, which does not mean that different views are not allowed. Leaders should act as models to the others, and affect the organization's culture and communication climate so that everyone is involved in information sharing.

Leadership communication requires proactivity from the leaders. It is not enough that the leaders can act inside their own organization. Due to internal and external conditions, there are several factors which influence the organization and leadership communication. Leaders should have sensitivity to notice changes in the business environment starting from the employee level to the global level and react accordingly. Hence, relationships and networking with employees, stakeholders, friends, colleagues, customers, public and media help the leaders to recognize the weak signals, changes or crises at an early phase.

Without a proper follow-up system it is not possible to evaluate leadership communication. The follow-up system can be based on open oral feedback or written feedback. The idea is that leadership communication goals are linked to the organization's strategy and measurements are done by comparing the results with the targets. The follow-up should be a two-way process where the feedback is shared between the parties and corrective actions are taken accordingly. The follow-up emphasizes that leadership communication is

followed on a day-to-day basis, not only periodically. It should belong to leaders' daily work to gather feedback, listen to employees and other actors, and follow the actions in the organization.

Leaders' communication skills are essential in a knowledge-based organization. They have to manage basic communication skills as presentation, writing and discussion. In addition, the leaders' own personal leadership competences and characters influence how well they can take into consideration their employees' attitudes, emotions and motives. Because leadership communication demands professional communication skills, leaders should cooperate closely with communications professionals in the organization. Besides, the goals are the same in internal communications and leadership communication although the approach varies.

6 CONCLUSIONS AND DISCUSSION

In this study the focus was in leadership communication, which was examined by using existing research materials. There were three objectives for the study: firstly, examine what the meaning of communication in organization is; secondly, how leaders can use communication for leading; and thirdly, develop a model for leadership communication.

Main Results

The study proved that communication has a strategic meaning for organizations. The importance of communication is emphasized in knowledge-based organizations, where the organization's business is based on information and knowledge. Information has become a competitive advantage and valuable capital, and the organization's performance is dependent on how it can manage the information, search and use it and create new information. The organization cannot take advantage of information without communication.

Communication moves the information, makes it visible, helps to change it for actions and connects all actors in the organization. Communication influences everyone in the organization and, in addition, is of everyone's responsible. It makes possible to create understanding between the actors and make them to achieve the organization's goals. In addition, it has also a social meaning for individuals.

From the leaders' point of view, employees are directed by leadership communication. The focus is to motivate employees, share them the needed information, coach and support them in their work, and encourage them to participate in the dialogue in the organization. Leaders are always communicating, when they are in interaction with employees or other parties. Besides, they communicate even without doing anything, because behaving

also means communicating. Thus, leaders cannot ignore communication or leave it for communications professionals in the organization.

As a result of the study, the Interactive leadership communication space model was created. The Space model emphasizes the idea that everything that leaders are doing is communication. Accordingly, leadership communication is a space which means that communication happens everywhere, not just through different communications channels or in forums where actors are contacting each other. Consequently, the Space model gives a wider perspective for leadership communication and defines all factors which are meaningful in knowledge-based organizations: information, actors, sharing, conditions and follow-up. In addition, it highlights interactive communication which is a vital requirement for information sharing, dialogue and created interpretation between the actors in knowledge-based organizations.

Interactive leadership communication space model can be used in all kinds of organizations in spite of their business environment, structure, size or location. All the factors in the Space model are still valid even if there are only few persons involved in the communication. On the other hand, individual leaders can use the model in their leadership communication, or the usage can be expanded to the organizational level. The Space model is a concrete tool, which can be implemented in the leaders' daily work.

Grounded Theory as Methodology

The studied data was chosen from communication, business and leadership areas, and researches, journals, literature, articles and news were used as material. The data was analyzed by using the grounded theory methodology, which followed Strauss's and Corbin's approach. The grounded theory was chosen because it allowed an open approach to the research area and let the findings emerge from the data. In this study, the grounded theory method was followed during the whole research process, and the data was analyzed according to the three phase coding method (appendices 1 and 2).

The data was compared continuously with each other and the categories were filled with additional information during the process. Research data was gathered until the categories were saturated and no new information seemed to emerge. The found categories were the main factors for the Space model, and the core category defined the approach for leadership communication. According to the grounded theory, the results can be validated by comparing those to research data. In this study, the results follow the findings from the research materials; in other words, the results are grounded in research data.

According to my experience, the grounded theory was a convenient method for this study, because the research questions were broad as well as was the studied area. In the beginning, I had no any idea or assumptions what the findings or results of the study could be. I just started to examine materials talking about leadership, communication and business environment areas.

The grounded theory method helped to classify the emerged information and the analysis process gave the direction of the study and also my own thinking. I tried to be honest and objective during the research process and did not force the data. I used my former experience of communication and leadership when I evaluated the data and sources. Furthermore, my experience helped me to recognize at the early stage the consequences and connections between the categories and the phenomena.

Maybe the most valuable result of the grounded theory method to me was that it forced me to look at communication in a new way and it changed my thinking. Although I am a communications professional, I got a new perspective for communication in a knowledge-based organization. Especially, when I was developing the Interactive leadership communication space model, it changed my own approach to communication accordingly. Besides, it expanded also the views which were presented in the used sources in this study, and thus, the Spade model gave a wider perspective for leadership communication generally.

Limitations and Future Research

When I was searching the research material, it was difficult to find comprehensive researches about leadership communication. Many researches were case studies and their views were quite narrow and focused on certain detailed leadership communication problems. I noticed the same thing when I was searching material about leadership communication in a knowledge-based organization. Due to the facts mentioned, the research material in this study was gathered from many different areas and sources. This pointed that leadership communication is not studied widely and further studies are needed.

From the point of view of this study, the number of available researches limited the gathered information. On the other hand, because the data was gathered from many different areas of communication, leadership, business, it gave a wider perspective to the phenomenon. The further research concerning Interactive leadership communication space model could be done as a case study, where the Space model would be implemented in the organization and its usability tested. It would also show if there were limitations in the model.

As proved in this study, there are some specific needs for leadership communication in knowledge-based organizations and the old management and communication models are not working anymore. It would be interesting to research more what kind of communication skills leaders need in knowledge-based organizations and how they could be trained to communicate. Moreover, one target for the research could be how regional educational systems respond to the existing requirements of leadership communication; for example, what kind of leadership communication competences graduated engineers have.

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APPENDICES

APPENDIX 1

Example of Open Coding Process of Sharing Category

Examples of the used research data and concept creation:

Interpretation of the message is more important than communications **channels**. All messages are ambiguous, because the language is not accurate and it is possible to interpret the messages in many ways. (Åberg 2000, 38-39.)

> ➔ **Found concepts:** Interpretation between the communicators

"Although **face to face** in a **one-to-one** situation is the stated preferred mode by staff, it will not always fit the bill. It is most effective when messages are relatively simple and the opportunity it provides for the listener to **give feedback instantly** provides an excellent way of **checking understanding** and **absorption**." (Smith & Mounter 2005, 75.)

> ➔ **Found concepts:** Face-to-face, one-to-one, listener is an active participants of communication, understanding and absorption, requirement for interaction

"**Face-to-face communication** is potentially the most effective form of internal communications. By its very nature, it is **two-way**, **inviting response, reaction and motivation to action**, on both sides. Within it, and with good will on all sides, participants are able to make sure they **understand** and **have been understood**." (Farrant 2003, 50)

> ➔ **Found concepts:** Face-to-face, two-way communications, relationships between participants, understanding, requirement for interaction

The most effective communications channel is to communicate **person to person**. (Ikävalko 1999, 25)

> ➔ **Found concepts:** Communications channel, person-to-person

In knowledge-based organization employees' relationship to information differ from traditional approach. Employee is not anymore only receiver of the information or sender; instead **employee is part of knowledge creation and communication**. (Juholin 2007, 87.)

> ➔ **Found concepts:** Relationships, interaction

"In an interactive world, you need to **manage interactively**. And managing interactively is about **communication**— connecting, informing, and engaging people. You need to give as much attention to your ability to communicate as you give to your balance sheet or budget." (Boone 2000, 273.)

> ➔ **Found concepts:** Interaction, interactive communication, relationship

Continues

APPENDIX 1

Results of open coding:

➔ Defined concepts, which emerged from research data

➔ Created Sharing category, which was based on found concepts

➔ Created subcategories: Channels and Forums, which specifies more the meaning of the Sharing category

➔ Defined dimensions of the phenomenon

Concepts:

Body language
Speechless
Possibility to feedback
Interactions
Understanding
Interpretation
Forums
Social relationships
Discussions
Development discussions
Social media
Two-way communication
Face-to-face
Speeches
Chatting
Formal meetings
Informal meetings
Stories
Messages

Category: Sharing

Subcategory: Channels

Subcategory: Forums

Dimensions

Rich/
Interactive/
Formal

Lean/
Passive/
Informal

Analysis by Using Axial and Selective Coding

All the emerged
categories are
connected together
and are important
factors of leadership
communication

Actors Category
Subcategories:
Leaders
Employees
Communications professionals
Stakeholders

Factors
- All are actors
- All make decisions
- Relationships
- Interactions

Information Category
Subcategories:
Business related information
Employee related information
Tacit and explicit knowledge

Factors
- All need information
- Strategic meaning
- Used together
- Created together

Sharing Category
Subcategories:
Channels
Forums

Factors
- Understanding
- Dialogue
- Interactive
- Shared together

Follow-Up Category
Subcategories:
Qualitative feedback
Quantitative feedback

Factors
- Continuous
- Two-way
- Sharing
- Evaluation

Conditions Category
Subcategories:
Internal conditions
External conditions

Factors
- Consequences
- Relations
- Interactive
- Cultures

Selective coding

The core category represents of the main theme of all the categories and is a basis for
leadership communication

Core category: Interaction