



Corporate Communications: An International Journal

Strategic corporate communication and impact in Indian service sector Mala Sinha Perveen Bhatia

Article information:

To cite this document:

Mala Sinha Perveen Bhatia , (2016), "Strategic corporate communication and impact in Indian service sector", Corporate Communications: An International Journal, Vol. 21 Iss 1 pp. 120 - 140 Permanent link to this document:

http://dx.doi.org/10.1108/CCIJ-05-2015-0028

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CCIJ 21,1

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Received 5 November 2014 Revised 27 May 2015 Accepted 1 September 2015

Strategic corporate communication and impact in Indian service sector

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Abstract

Purpose – The purpose of this paper is to examine the nature of strategic corporate communication (SCC) activities and its impact in Indian service sector organizations.

Design/methodology/approach – A descriptive research design was used with data obtained from 227 executives from service sector organizations. A research instrument was constructed and measures of SCC and its impact were derived through factor analysis.

Findings – Multiple regression analysis led to formulation of new relationships among the variables (messages, medium and stakeholders) involved in SCC and its impact. For example, in crisis situations, messages related to identity and image were associated with greater communication impact than were other types of messages. Similarly communicating with primary stakeholders like employees and customers was more important than with other stakeholders. Among the different types of medium used in SCC, virtual medium and disclosures led to greater communication impact.

Originality/value – Communication impact due to SCC was a multi-dimensional construct comprising of three kinds of impacts: communication synergy; value representation; and organizational reliability. The relationships of messages, mediums and stakeholders with different types of SCC Impact can help practitioners design and implement effective strategies of corporate communication.

Keywords Message, Corporate communication, Impact, Reputation, Strategic, Medium **Paper type** Research paper

Corporate communication is an overall communication activity to achieve planned objectives (Jackson, 1987); and a management device, which helps in harmonizing different forms of internal and external communication effectively and efficiently, with the objective of creating a favorable relationship with organization's stakeholders (van Riel and Fombrun, 2007). Corporate communication comprises of four key components which are: transmitting messages about the organization; using appropriate medium (magazines, television, pictures, corporate gifts, intranet, etc.) for communication; disseminating information to stakeholders; and striving to enhance image or reputation of the company through communication (Ormino, 2007). The importance of corporate communication has gained salience over years and many companies view it as an essential strategic activity that helps gain competitive advantage and manage crisis (Thiessen and Ingenhoff, 2011). Goodman (2010) adds that corporate communication is



Corporate Communications: An International Journal Vol. 21 No. 1, 2016 pp. 120-140 © Emerald Group Publishing Limited 1356-3289 DOI 10.1108/CCIJ-05-2015-0028

The paper was presented at Corporate Communication International (CCI) Conference on Corporate Communication 2014, Hong Kong Polytechnic University, Kowloon, Hong Kong where the paper was awarded: "Highly Commended Theoretical Paper" by the organizers for which the authors are thankful.

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a strategic management function, where the role of corporate communication executive is to counsel the chief executive officer about issues related to reputation management. He further adds that companies during recession and crisis do not reduce their budgets for corporate communication as part of cost cutting (Goodman, 2012), which is indicative of strategic relevance of corporate communication. This research examines the different components of strategic corporate communication (SCC) process in the context of service sector organizations in India, and studies the relationship of each component with the impact of communication. The following section presents a review of literature of the process variables involved in SCC and raises research questions from which the objectives of the study have evolved.

Review of literature

There are several models which explain the relevance and process of corporate communication, each providing insights regarding decisions that need to be taken in SCC. The traditional model of corporate communication depicts a linear relationship between corporate identity and corporate image, where identity is assumed to have emerged historically or is strategically formulated based on purpose, vision, mission and ethos of the organization, and communicated to stakeholders to create a congruent and favorable reputation (Van Riel, 1995; Balmer and Soenen, 1999). In "New model of corporate communication interactivity and multiple message sources", author Cornelissen (2000) indicates that stakeholders receive messages from multiple sources like competitors, symbolic communication through employee behaviors, word of mouth, etc., and therefore, image formed by stakeholders is a multiple variable impression formation process. The Balmer and Greyser's (2003) new corporate communications wheel emphasizes the matching of different communication channels, such as advertising, new media, direct marketing and sponsorships, to each stakeholder group for communicating corporate messages. Corporate communication strategy model (Argenti, 2007) stresses the designing of a feedback mechanism, which provides inputs to construct and deliver suitable messages and treats corporate reputation and image as the key measure of successful corporate communication. In contemporary scenario, due to proliferation of communication technology, stakeholders have become more aware and responsive, making it important for organizations to strategize about what it wants to say, to which stakeholder, in what manner, and to obtain what effect (Mitchell et al., 1997).

The principle that corporate communication is cornerstone of strategic operations of an organization is well accepted now (Massie and Anderson, 2003); and as a management function it offers a framework and vocabulary for effective coordination of all means of communication, with the overall purpose of establishing and maintaining favorable reputation (Cornelissen, 2004). Corporate communication strategy framework thus comprises of four interconnected components: the organization, messages, constituencies and the constituency's response (Argenti, 2007). Organizations connect communication with strategy through organizational structure by creating a corporate communication department that reports to top management, and therefore corporate strategy and communication strategy are linked with one another making "strategy" an indispensable concept in the discourse on corporate communication (Cornelissen, 2009; Raupp and Hoffjann, 2012; Dolphin and Fan, 2000; Steyn and Niemann, 2010). In India, corporate communication has emerged as a strategic management tool which coordinates internal and external communication and helps a public sector unit to enhance corporate image and corporate performance (Koul, 2009).

The presence of different individuals handling corporate communication creates the need for integrated communication efforts, to obtain a favorable communication impact by minimizing inconsistencies in communication (van Riel and Fombrun, 2007; Seiffert *et al.*, 2011). Research has shown that integration in corporate communication is indispensable and should take place organically and naturally within an open organizational structure that fosters coordination (Smith, 2012; van Riel and Fombrun, 2007). Kotler (2000) relates corporate communication to integrated marketing communication in which a company carefully integrates and coordinates its communication channels to deliver a clear, consistent message. Integration involves the alignment of symbols, messages, procedures and behaviors to assist the organization to communicate with consistency, coherence, clarity and continuity within and across formal organizational boundaries (Kerr *et al.*, 2008; Christensen *et al.*, 2008).

Currently, empirical and theoretical interest in "implementation" in communication is on the rise (Kuhn and Corman, 2003; Lewis, 2006; Sagie *et al.*, 2001; Timmerman, 2003; Zorn, 2002) and without implementation, according to Real and Poole (2005), the most brilliant and potentially far reaching innovation remains just an unrealized potential. Tornatzky and Johnson (1982) define implementation as "the translation of any tool or technique, process, or method of doing, from knowledge to practice" (p. 193), which requires the organization to make several tactical choices like: type of messages to deliver, dealing with stakeholders collectively or individually; using monologue vs a dialogic communication, channel selection, spokespersons, timing, venue and forums for interaction. Such choices would necessarily depend on the understanding of predictive relationships between message, medium, stakeholders and the impact of SCC.

There are five specialist areas in SCC: internal communication conducted through intranet, house journal and corporate presentations among others; marketing communication, such as print and audio-visual material, trade shows, briefing advertising agencies, organizing media, placements, sponsoring and fund raising; investor relations which include press releases, webcasts, press conferences, informal discussions with analysts and creating standard corporate presentations; public affairs management like informal discussions with government, CEO speeches, counseling top management and commissioning research; and issue management like discussions with stakeholders, press relations and monitoring issues (van Riel and Fombrun, 2007). In Indian public sector organizations the responsibilities of corporate communication include defining key messages, setting up process for dialogue, framing disclosure policies, and using media, internet, meetings, conferences and other channels to convey messages (Koul, 2009). In summary, corporate communication involves a complex set of activities to manage investor, employee, media, community and government relations, while also being engaged with marketing and product communication. Internal communication, special events, annual reporting, brand and issue advertising, corporate branding, public relations, crises and emergency communication, corporate citizenship, and reputation or image building are also significant components of corporate communication (Argenti, 2007; Goodman, 2006).

Another critical aspect of corporate communication is prioritization of key stakeholders (van Riel and Fombrun, 2007); who according to Cornelissen (2009), can be categorized as government, suppliers, trade associations, employees, investors, political groups, customers and community. Stakeholders are primary and secondary with respect to their involvement with the organization and therefore employees,

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customers, shareholders and community constitute former category, while media, suppliers, government, creditors make up the latter (Argenti, 2007). According to Clarkson (1995), primary stakeholders are more important, in comparison to secondary stakeholders, and their continuous support is needed to avoid serious reputation damage. In corporate communication cumulative perceptions of stakeholders, which is the outcome of messages sent is termed as corporate image or reputation usually considered to be a measure of effectiveness of corporate communication (van Riel and Fombrun, 2007). Corporate reputation can be assessed by Harris-Fombrun's framework: Reputation Quotient (RQ) (Fombrun, 1996) which has six dimensions: emotional appeal; products and services; vision and leadership; workplace environment; financial performance; and social responsibility. Bromley (2000), proposes three levels of information processing for reputation formation. At primary-level personal experience with the company matters and at secondary level others opinions about the company, product or service counts, and finally at the tertiary-level mass media, advertising and public sources shape the organization's reputation. Researchers have found that corporate reputation is not just reliant on corporate communication activities of the firm but also depends upon several other variables such as trust (Satir, 2006), ethical behavior (Fan, 2005) and quality of ts relationships with different stakeholders (Spencer, 2005; Bronn, 2007). Thus reputation which dependents on several factors, is an inadequate measure of effectiveness of SCC and therefore there is a need for a variable, which reflects more directly, the impact which corporate communication has on its constituencies (Barnett et al., 2006).

Research issue and objectives

There is comprehensive research which describes the strategic role of corporate communication in organizations (Thiessen and Ingenhoff, 2011; Goodman, 2010; Argenti, 2007; Massie and Anderson, 2003); the functions and aims served by corporate communication (van Riel and Fombrun, 2007; Argenti, 2007; Goodman, 2006) and processes or components involved in corporate communication (Jackson, 1987; Ormino, 2007). Researchers have raised the issue of integration of components of SCC so that messages are aligned with medium used to communicate to the suitable stakeholders (Kotler, 2000; Kerr et al., 2008; Smith, 2012; van Riel and Fombrun, 2007; Seiffert et al., 2011). It has also been pointed out that every strategy is as good as how well it is implemented (Kuhn and Corman, 2003; Lewis, 2006; Sagie et al., 2001; Timmerman, 2003; Zorn, 2002). Implementation is seen as moving from knowledge to practice (Tornatzky and Johnson, 1982), which is possible only if we understand the nature of relationship that exists between the components of corporate communication and its impact. When we know which messages, mediums and stakeholders are important from the point of achieving desired communication impact, then tactical decisions regarding choice of message, medium and stakeholders help implementation. In the review of literature we did not come across any research that has measured impact of SCC exclusively. Generally corporate reputation and image is considered to be a measure of effective corporate communication (van Riel and Frombrun, 2007), but, Bromley (2000), says that factors like personal experience of stakeholders with products and services and feedback of others may also influence formation of reputation, which therefore cannot be attributed only to corporate communication.

The present study hopes to address some of the points raised above. It aims to contribute to the existing discourse in corporate communication by focussing on

implementation, so that practitioners can use findings of the research when they have to take decisions regarding choice of messages, medium and stakeholders in order to obtain a desired SCC impact. To fulfill this aim the study has the following objectives:

- to develop a standardized scale to assess the three key components of SCC which are:
 - type of information (messages) that organizations communicate regularly;
 - the different types of medium used to communicate messages; and
 - frequency of communication to different stakeholder groups.
- to develop a measure to assess effectiveness of SCC designated as SCC impact;
 and
- (3) to ascertain which messages, medium and stakeholders are associated with generating SCC impact.

Methodology

The study has a descriptive research design and has used the survey method to collect data from a cross-sectional sample; with univariate and multivariate statistical analysis techniques applied to the data to establish the research objectives.

Construction of the questionnaire

Three sources were used to design the preliminary questionnaire: interviews with practitioners, research findings and existing instruments of corporate communication. In total, 17 executives working in corporate communication department of their organization were interviewed to understand how they conducted corporate communication activities. Open-ended questions were asked about aims of SCC, types of messages sent, mediums used, stakeholders communicated to and effectiveness of SCC with respect to their organizations. Based on themes which were reported in the interviews, a list of messages, mediums and stakeholders targeted for communication was complied. We found that process and details of messages, mediums and stakeholders of corporate communication mentioned by practitioners was similar to that found in different models of corporate communication (Cornelissen, 2000; Balmer and Greyser, 2003; Argenti, 2007). Inputs regarding structure of the scale were from Corporate communication practice and trends study by Goodman (2009), and researches on functions of corporate communication (Argenti, 2007; Goodman, 2006; Nielsen and Thomsen, 2009; Schultz and Wehmeier, 2010). Information regarding stakeholders was obtained from studies by Argenti (2007), Goodman (2006) and Cornelissen (2004). Based on these inputs items were generated and the final questionnaire structured, consisting of four subscales: sub scale A was for messages communicated in SCC, B for mediums used and sub scale C was designed to assess the frequency of communication to different types of stakeholders.

Research shows that corporate reputation, conceptualized as collective perception of stakeholders on six key dimensions of Harris-Fombrun RQ (Fombrun, 1996) is the most frequently used measure of effectiveness of corporate communication. Three domains for building coherent corporate communication systems have been identified by van Riel and Fombrun (2007): strategic alignment of messages with organization's vision,

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purpose, strategies and values that have a motivating effect; expressiveness, which is authentic, distinctive, transparent, visible, consistent and responsive communication; and reputation, which depends upon product and service quality, leadership, governance, innovation, citizenship and other workplace factors judged by stakeholders to be worthy. Drawing from these sources sub scale D comprising of 14 questions, which judged if SCC messages were aligned with organization's practice and culture, was constructed. For example, item 2 asked respondents if vision and mission statements were inspiring, and item 4 asked if awareness of organization strategy helped employee understand how she fitted in the organization. Other items measured perceptions of organization being a good employer (item 8); had ability to safeguard image in crisis (item 7); was stable and dependable (item 9) and ethical (item 11). Table I summarizes the structure of the four subscales and the final questionnaire also included a section on personal details regarding respondent's age, education, experience, etc. The respondents were expected to read each statement and rate their perceptions on Likert type five-point scale. The pilot study was conducted on 66 working executives from service sector organizations and based on their responses, the reliability and discriminability of items was evaluated and suggestions incorporated.

Data collection

Data were obtained from 227 respondents from service sector organizations in New Delhi, the capital city of India. This sector is the fastest growing sector and backbone of Indian economy contributing around 58 percent to country's Gross Domestic Product (Reserve Bank of India, 2012). Globally also in the world's GDP, share of service sector contribution is 65.9 percent (Economic Survey of India 2013-2014) which is indicative of relevance of service sector for economic growth. In addition, this sector deals with services, which are intangible in nature, hence for customer satisfaction and managing stakeholder perceptions communication is an important organizational activity. It is for these reasons that we choose to focus on this sector in the present study. Top-level companies were approached from: information technology (n = 110) like Infosys, Wipro, Oracle, HCL, IBM, etc. and banks (n = 42) like HSBC, SBI, American Express and Barclays, etc. Insurance sector (n=34) was represented by Life Insurance Corporation, AVIVA and Sunlife Insurance and other companies were from telecommunication (n = 18), health (n = 13) and retail (n = 10). All respondents were from the managerial cadre possessing work experience ranging from 4 to 11 years in the age band of 28-45 years, with 80 percent being males.

Development of measures of SCC

In order to fulfill the first two objectives of the study, which was, constructing a standardized scale for SCC and developing measures to assess effectiveness of SCC,

Sections	Description
Sub scale A (message) Sub scale B (medium) Sub scale C (stakeholder) Sub scale D (SCC impact) Personal details	Information communicated by the organization for SCC (28 items) Mediums used for communicating information (27 items) Different stakeholders with whom organizations communicate (15 items) The effect of organization's engagement in SCC activities (14 items) Personal questions like name, age, gender, experience, designation, company, etc.

Table I. Structure of questionnaire

principal component analysis with varimax rotation was performed on each sub scale (A-D) to derive factor measures for the four components of SCC: messages, medium, stakeholders and impact of corporate communication. Sampling adequacy was established by using Kaiser-Meyer-Olkin and Bartlett's test of sphericity checked whether the variables were correlated or not, and found to be adequate. Factor loading of 0.4 and above was used as cut off to form a measure. Cronbach's (1951) α were computed for each measure, and factors were named based on underlying attribute of variables subsumed with the details reported in Tables II-V. Henceforth all measures derived through this process will be mentioned in title case.

Measures of messages (sub scale A)

Seven measures of messages were derived which reflected the type of information an organization communicates in SCC. These were: value and excellence-based messages (α : 0.81) comprising of six items dealing with content related to vision and mission, ethical code, core values, awards won, CSR and quality standards; environment and employee health messages (α : 0.78) had three items that dealt with concern for environment, safety and health of employees; identity and image messages during crisis and change (α : 0.74) had five items dealing with crisis management, relationship building, and identity change messages; strategic change messages and disclosures (α : 0.69) comprised of four items related to top management messages, strategic plans, disclosures and mandatory reporting; celebrations, felicitations and feedback messages (α : 0.67) had three items concerning celebrations and survey feedback; public relations and marketing messages (α : 0.64) had five items which were related to product and services, and past achievements; and change messages: HR, product and process (α : 0.54) comprised of two items regarding HR policies and changes.

Measures of medium (sub scale B)

Based on factor analysis (Table III) five categories of mediums used for communicating messages emerged: public media: print and electronic (α : 0.90) comprised of seven items like newspapers, journals and television, etc.; personalized medium and visuals (α : 0.86) had eight items dealing with house journals, bulletin, corporate gifts, films and sponsorships; advertisements and social networks (α : 0.78) had four items; virtual medium and mandatory reports (α : 0.71), with four items dealt with company website, intranet, annual and other reports; and other mediums: dress code, infrastructure, CSR and memberships (α : 0.66) had four items and was formed by combining the two items each from factor 5 and 6.

Measures of stakeholders (sub scale C)

Four categories of stakeholders were derived through factor analysis. Three categories of stakeholders who are external to the organization were as follows: external stakeholders: community and media (α : 0.83) had five items dealing with stakeholders outside the organization like community, print and electronic media, NGOs, and competitors; external stakeholders: partners, potential employees and customers (α : 0.82) had four items; and external stakeholders: banks, regulatory bodies and suppliers (α : 0.69) had three items. The fourth category designated as primary stakeholders: employees, customers and shareholders (α : 0.69), had three items and were people who had direct engagement with the organization.

Sub scale A	SCC message	Item number and description	Factor loading	Cronbach's α	Mean (SD)	Variance explained (%)	SCC and impact in Indian service
1	Value and excellence-based	1. Vision/mission	0.75	0.81	13.45 (2.62)	9.91	sector
	messages (6 items)	2. Ethical code	0.63				
		Core values	0.57				127
		23. Awards	0.52				121
		25. CSR messages	0.52				
		5. Quality standards	0.49				
2	Environment and employees	20. Environment					
	health messages (3 items)	protection	0.83	0.78	7.90 (2.05)	9.47	
		27. Green organization	0.79				
		18. Employee	0.50				
0	T1 1:	health/safety	0.58				
3	Identity and image messages	21. Image messages in crisis ^a	0.20	0.74	10.94 (1.75)	0.00	
	during crisis and change (5 items)		0.39	0.74	10.24 (1.75)	9.08	
	(5 items)	24. Strategy messages in crisis	0.71				
		12. Identity change	0.71				
		messages (external					
		stakeholder)	0.61				
		26. Relationship building	0.01				
		messages	0.54				
		28. Safety messages					
		in crisis	0.52				
4	Strategic change messages	4. Top management					
	and disclosures (4 items)	messages	0.68	0.69	7.43 (1.98)	8.34	
		Strategic plan	0.62				
		Disclosures	0.56				
		7. Identity change					
		messages (internal					
_		stakeholders)	0.53				
5	Celebrations, felicitations and		0.76	0.67	9.58 (1.75)	7.79	
	feedback messages (3 items)	16. Festivals	0.72				
0	D11 12 1	11. Survey findings	0.62	0.24	0.01 (1.55)	F. 01	
6	Public relations and	22. Employee motivation ^a	0.39	0.64	8.31 (1.57)	7.61	
	marketing messages (5 items)	U	0.75				
		19. Messages to customer 8. Product/services-	0.55				Table II.
		related messages	0.48				Item description,
		13. Pass achievements ^a	0.48				factor loadings,
7	Change messages: HR,	9. HR policies	0.49	0.54	4.82 (1.06)	6.95	Cronbach's α , mean,
•	product and process (2 items)	*	0.61	0.01	1.02 (1.00)	0.50	standard deviation
	n = 227. Extraction method: zation items were relocated	- ·		ntion method	; ^a Varimax	with Kaiser	and percentage variance of sub scale A: messages in SCC

Measure of impact of SCC (sub scale D)

Table V shows three factor measures extracted from 14 items of sub scale D, which assessed the impact of SCC. These were: communication synergy impact (α : 0.83) with six items emphasizing alignment and positive transformative change in behavior as a result of receiving certain kinds of messages; value representation impact (α : 0.74) with four items were perceptions related to morals, ethics and concern for community

COTT							
21,1	Sub scale B	SCC medium	Item numbers and description	Factor loading	Cronbach's α	mean (SD)	Variance explained (%)
	1	Public media: print and electronic (7 items)	17. International journals 18. National news channels 19. International news	0.74 0.72	0.90	14.65 (3.99)	15.84
128		(7 items)	channels 16. National business	0.71			
			magazines 20. Electronic medium	0.71			
			(TV/radio) 21. Print medium	0.68			
			(newspaper/tabloid)	0.61			
	2	Personalized medium		0.49			
		and visuals (8 items)	calendars/diaries 13. Posters, pictures,	0.67	0.86	14.95 (3.99)	13.17
			paintings 14. Bulletin boards in	0.65			
			organization	0.63			
			10. Public address system	0.59			
			3. Corporate gifts9. Newsletters and house	0.57			
			journals 8. Sponsorships and	0.53			
			events 11. Films and	0.47			
	3	Advertisements and	documentaries 5. Product/service	0.47			
	3		advertisement	0.73	0.78	8.49 (2.41)	10.73
		social networks (4 items)	22. Outdoor medium	0.73	0.78	6.49 (2.41)	10.75
			4. Organization				
			advertisement 23. internet sites like	0.58			
			YouTube/Facebook	0.42			
	4	Virtual medium and	1. Organization's websites	0.77	0.71	10.13 (2.12)	9.27
		mandatory reports	6. Annual reports	0.70			
Table III.		(4 items)	7. Non-Financial reports	0.59			
Item description,	_		2. Company intranet	0.52			
factor loadings,	5	Other mediums:	27. Staff uniform	0.64	0.66	8.35 (2.36)	14.32
Cronbach's α , mean, standard deviation and percentage variance		dress code,	25. Memberships				
		infrastructure, CSR	(CII, FICCI, etc.)	0.47			
		and memberships	24. CSR activities	0.76			
		(4 items)	26. Infrastructure (décor/	0.00			
of sub scale			color scheme, etc.)	0.69			
B: medium used for SCC		n = 227. Extraction in zation items were relocated	nethod: principal component ated	analysis	rotation met	hod; ^a Varima	ax with Kaiser

that drove the organization; and organizational reliability (α : 0.80) had four items related to credibility, trust, and sense of pride associated with the organization. A cumulative index called Aggregate Impact using the method proposed by Lewis-Beck (1994) and Jha and Murthy (2006) was computed to assess overall impact of SCC and has been discussed as the fourth dimension of SCC impact in the study.

Sub scale C	SCC stakeholders	Item numbers and description	Factor loading	Cronbach's α	Mean (SD)	Variance explained (%)	SCC and impact in Indian service
1	External	10. Members of					sector
	stakeholders:	community	0.79	0.83	11.03 (2.87)	20.05	
	community and	Electronic media	0.74				129
	media (5 items)	8. Print media	0.65				123
		7. NGO	0.60				
		15. Competitors	0.57				
2	External	11. Prospective					
	stakeholders:	employees ^a	0.55	0.82	10.21 (2.56)	19.70	
	partners, potential	13. Potential business	0.04				
	employee and	partners	0.84				
	potential customers	12. Prospective customer/client	0.78				
	(4 items)	14. Old customer/client	0.78				
3	External	4. Banks/financial	0.72				
J	stakeholders:	institution	0.78	0.69	7.26 (1.69)	13.81	
	banks, regulatory	6. Government/	0.76	0.09	7.20 (1.09)	13.01	
	bodies and	regulatory bodies	0.75				
	suppliers (3 items)	5. Suppliers/vendors	0.44				
4	Primary	1. Employees	0.84	0.69	7.46 (1.48)	12.38	Table IV.
	stakeholder:	1. Employees	0.01	0.00	1.10 (1.10)	12.00	Item description,
	employees,	2. Current customer/					factor loadings,
	customers and	clients	0.57				Cronbach's α, mean, standard deviation
	shareholders	3. Shareholders/	0.01				
	(3 items)	investors	0.49				and percentage variance of sub
Notes:	n = 227 Extraction	method: principal compo		veie rotation	method: aVa	rimay with	
	n = 227. Extraction ormalization items v		nem anai	ysis rotation	memou, va	IIIIaa Willi	in SCC

Results and analysis

A key objective of the study was to understand the relationship between components of SCC and SCC impact. A series of multiple regression analyzes were performed (Tables VI-VIII) to see how the derived measures of messages, medium and stakeholders (the three components of SCC) predicted the three factor derived measures of SCC Impact as well as the Aggregate Impact. Data were checked for multi collinearity (Jha and Murthy, 2006), normality (Shapiro-wilk statistics) and independence of residuals (Durbin-Watson statistics). In order to assess which of the three components of SCC (message, medium and stakeholders) played a greater role in predicting impact a composite score for each was also computed separately, by using method of aggregate composite index (Lewis-Beck, 1994; Jha and Murthy, 2006). Multiple regression analysis was performed (Table IX) by regressing the computed aggregate composite index of message, medium and stakeholder on the four measures of SCC Impact: communication synergy; value representation; organizational reliability; and aggregate impact.

Messages as predictors of SCC impact

Table VI shows that identity and image messages during crisis and change had highest β weight in predicting all four measures of SCC impact: communication synergy (β : 0.24**), value representation (β : 0.33*), organizational reliability (β : 0.41**) and

D: impact of SCC

130 (6 items) 4. Strategy clarify position 2. Inspiring vision/mission 0.65 6. Practices encourage to excel 0.65 3. Motivating history 0.62 1. Functioning reflect core values 0.58 2 Value representation impact (4 items) 12. Effective leadership 13. Socially responsible 14. Strategy clarify position 0.70 0.65 0.65 0.65 0.65 0.62 1. Functioning reflect core values 0.58 11. Ethical 0.74 0.74 10.28 (1.89) 20. 12. Effective leadership 0.70 13. Socially responsible 0.67 10. Committed 0.56 7. Safeguard image 0.78 0.80 10.22 (2.08) 16. Table V. Item description, factor loadings, Cronbach's α, mean, standard deviation 0.53	21,1	Sub scale D	SCC impact	Item numbers and description	Factor loadings	Cronbach's α	Mean (SD)	Variance explained (%)
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Kaiser normalization Items with relocated

aggregate impact (β : 0.41**). Public relations and marketing messages had the second highest β s predicting all but one dimension of impact, which was value representation. Table VI further shows that both: strategic change messages and disclosures; and celebrations, felicitations and feedback messages predicted only one impact dimension, which was communication synergy. The results indicate that different types of messages lead to varying SCC Impact.

Medium as predictor of SCC impact

Table VII shows that virtual medium and mandatory reports was the most important category of medium that predicted all four dimensions of SCC impact. Other mediums: dress code, infrastructure, CSR and memberships predicted two impact dimensions: value representation (β : 0.24**) and organizational reliability (β : 0.16*), while public media: print and electronic significantly predicted only one impact measure, which was organizational reliability (β : 0.24**). Interestingly, personalized medium and visuals significantly predicted aggregate impact (β : 0.21*). In line with the well accepted fact that technological advancements in the field of information technology have started dominating communication, the present study found that virtual medium like organizations website and intranet produced the most favorable communication impact.

Messages of SCC	Communication synergy	Value representation	Organizational reliability	Aggregate impact	SCC and impact in
Value and excellence-based messages People, environment and social health	0.05	0.14	0.05	0.02	Indian service sector
messages	0.02	0.04	0.03	0.02	
Identity and image messages during crisis and change	0.24**	0.33*	0.41**	0.41**	131
Strategic change messages and disclosures	0.16*	0.04	0.04	0.01	
Celebrations, felicitations and feedback messages	0.13*	0.02	0.02	0.11	
Public relations and marketing messages	0.17*	0.10	0.01*	0.17*	
Change messages: HR, product and process	-0.03	0.00	0.05	0.03	
R^2	0.34	0.31	0.37	0.40	Table VI.
Durbin Watson	1.80	1.82	1.77	1.92	Messages of SCC predicting
Notes: $n = 227$. * $p < 0.05$; ** $p < 0.01$					impacts of SCC

Medium of SCC	Communication synergy	Value representation	Organizational reliability	Aggregate impact	
Public media: print and electronic Personalized medium and visuals	0 0.17	0 0.16	0.24** -0.04	0.03 0.21*	
Advertisements and social networks Virtual medium and mandatory	-0.04	-0.13	-0.06	-0.03	
reports Other mediums: dress code,	0.31**	0.26**	0.34**	0.29**	
infrastructure, CSR and memberships	0.11	0.24**	0.16*	0.09	Table VII
R^2	0.22	0.22	0.28	0.24	Mediums of
Durbin Watson Notes: $n = 227$. * $p < 0.05$; ** $p < 0.01$	1.81	1.82	1.78	1.85	SCC predicting impacts of SCC

Stakeholders of SCC	Communication synergy	Value representation	Organizational reliability	Aggregate impact
External stakeholders: community and media External stakeholders: partners, potential employee and potential	0.10	0.11	0.10	0.07
customers External stakeholders: banks,	0.00	0.13	0.12	0.08
regulatory bodies and suppliers Primary stakeholders: employees,	0.01	0.06	0.16*	0.11
customers and shareholders R^2 Durbin Watson Notes: $n = 227$. * $p < 0.05$; ** $p < 0.01$	0.38** 0.19 1.97	0.26** 0.20 1.83	0.20** 0.21 1.77	0.30** 0.22 1.99

Stakeholders as predictors of SCC impact

Of the four types of stakeholders to whom SCC messages are directed, the primary stakeholder: employees, customers and shareholders, predicted all four dimensions of SCC impact (Table VIII). This result indicates that stakeholder groups, which are internal and proximate to the company, are important, and need to be the central focus of SCC. On the other hand external stakeholders: banks, regulatory bodies and suppliers predicted only one impact measure that was organizational reliability (β : 0.16*).

Aggregate composite index of message, medium and stakeholder predicting SCC impact

Table IX presents the regression results of aggregate composite index of message, medium and stakeholder in predicting the four measures of SCC Impact. Composite index of message had highest β weight and predicted all four variables of communication impact. Mediums also predicted communication impact but had lower β weights in comparison to messages implying the content of what company says is more important than how and through which means it communicates. The composite stakeholder index predicted only one impact dimension that was value representation.

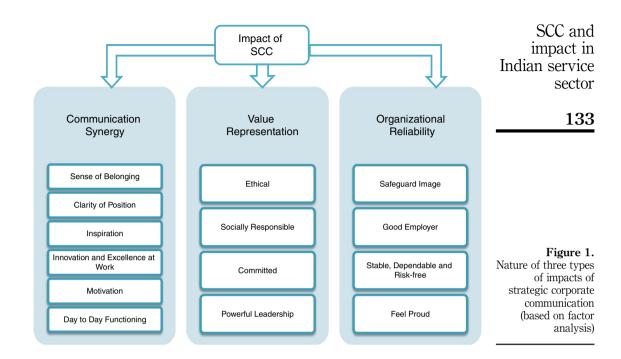
Discussion

The present study has made an important contribution to existing theories of SCC by developing a comprehensive model of SCC, based on empirically tested relationships between its different components. One of the distinguishing features of the model is a new empirically derived variable that measures the effectiveness of SCC function, designated as SCC Impact, which has traditionally and alternatively been assessed as corporate image or reputation (van Riel and Fombrun, 2007). Another key outcome of this research is the construction and standardization of an assessment instrument of SCC which can be used by researchers and practitioners to design SCC activities aimed at achieving the greatest impact in service sector organizations.

The research found SCC impact to be a multi-dimensional construct comprising of three components: communication synergy; value representation and organizational reliability (Figure 1). The first dimension of SCC impact – communication synergy, was the degree to which corporate communication contributed to a positive effect, larger than the intended purpose of sending messages, and associated with positive transformation in behavior and feeling. This transformation may be understood to have occurred due to perceived alignment of behavior of employees with the communicated messages, thereby resulting in greater sense of belonging in employees, clarity about their position in organization, and inspiring them to achieve, innovate and excel at work. Hatch and Schultz (2002), found that organizations must ensure

Table IX.Predictors of impact using aggregate measures of message, medium and stakeholders

	Communication synergy	Value representation	Organizational reliability	Aggregate impact
Messages	0.35**	0.26**	0.32**	0.35**
Mediums	0.27**	0.19**	0.29**	0.27**
Stakeholders	0.04	0.23**	0.14	0.13
R^2	0.29	0.29	0.35	0.36
Durbin Watson	1.75	1.79	1.75	1.8
Notes: $n = 227.$ *	5p < 0.05; **p < 0.01			



trustworthy communication so as to avoid misalignments between what is said and done, as in the absence of alignment there is mistrust which reduces morale and productivity. Christensen and Langer (2009), indicate that especially in large organizations, which communicate with different audiences, care must be taken to ensure coherence, consistency, and integration of messages at all times, lest misunderstanding due to conflicting and inconsistent meaning cause confusion and distrust in stakeholders. It can be said therefore that synergy which is associated with alignment and integration of SCC, positively affects trust, morale and productivity of employees of the organization and stakeholder perceptions.

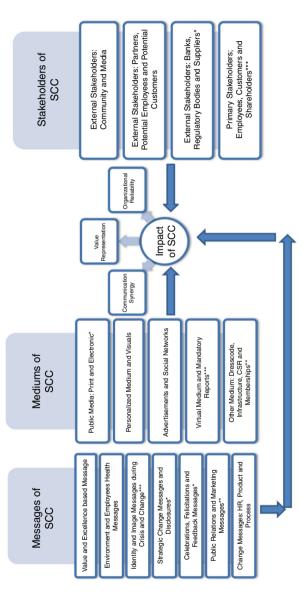
Value representation, the second dimension of SCC impact assessed whether communication activities resulted in perceptions about the organization being ethical, committed and morally and socially responsible. The dimension also reflects whether the organization had strong leadership, with organizational values being derived from values that leaders portrayed while managing and controlling organizational processes. Organizational reliability, the third dimension of SCC impact, involved a sense of pride toward the organization, and perceptions about its ability to: safeguard corporate image in crisis; establish itself as a good employer with capability of attracting talented human resource; and be stable, dependable and risk-free. Several researches have supported the multi-dimensional nature of SCC impact found in the present study. For example, it is seen that SCC builds trust toward an organization and is positively associated with employee attitudes, job performance, employee satisfaction and intent to remain in the organization (Dirks and Ferrin, 2001; Dirks and Skarlicki, 2009; Kramer, 1999; Mayer et al., 1995).

Planning and implementation of an effective corporate communication strategy requires the understanding of relationship that messages, medium and stakeholders have with communication impact. This study has found several significant relationships which can be used by practitioners to design suitable SCC activities to achieve maximum SCC impact. For example, it was found that only certain types of messages, medium and stakeholders increased communication impact, indicating that content, channel and recipients of communication are important considerations in SCC. In Indian service sector, identity and image messages during crisis and change increased aggregate impact and also the three dimensions of SCC impact. These messages in essence had a synergizing effect, fostered reliability and reinforced values of organization, a finding that has been supported by other researches. This sen and Ingenhoff (2011) have indicated that SCC is important in crisis for protecting reputation of the organization, as well as during organizational change (Elving, 2005); and it also goes a long way in building positive relations with community (Stroh and Jaatinen, 2001). Other studies (Victoria von Groddeck, 2011), have reported that in uncertain situations, communicating identity and value-related messages helped the organization. Two types of messages: strategic change messages and disclosures; and celebrations, felicitations and feedback messages contributed to increasing only communication synergy impact. But public relations and marketing messages was found to be associated with communication synergy; organizational reliability; and aggregate impact, a finding supported by researches that have shown that effective customer relationship management builds the reputation of the company (Bronn, 2007).

The use of virtual medium and mandatory reports, like intranet and websites for displaying information predicted all three dimensions of communications impact indicating that timely reporting of financial and non-financial performance increases trust of investors and shareholders, because then organization is perceived to be reliable. Further Hearn *et al.* (2009) has confirmed that, the use of new media tools and web technology is important for strengthening relationship with stakeholders. It is noteworthy that personalized medium and visuals like greeting cards, posters corporate gifts, films and documentaries or sponsoring events, etc. predicted only Aggregate Impact and did not predict the individual three dimension of SCC impact, which suggests even though this category of medium is important in SCC, the nature of impact they are likely to have needs to be explored.

Findings related to role of stakeholders in SCC indicated that frequent communication with primary stakeholders: employee, customers and shareholders, increased SCC impact by having a synergizing effect and enhancing sense of reliability and trust in the values represented by the organization. Jancic (1996) found that employees, customers and shareholders share very strong relationships with a company and need to be engaged with, frequently. Other researches have also shown that rapport with the employees through communication builds corporate loyalty and makes them the organization's ambassador (Argenti, 2007; Bronn, 2007). Similarly shareholders' judgment about an organization's stability, dependability and ability to provide risk-free investment opportunity rested on regular communication about company's financial position, product knowledge, corporate successes, and commitment to social cause (Helm, 2007).

The model in Figure 2 is the framework to understand SCC process. The boxes in the model present antecedent (messages, medium and stakeholders) and consequent variables (impact of SCC) with the arrows depicting the direction of influence, and variables with asterisks being significant predictors of SCC Impact. According to the model, service sector organizations communicate seven types of SCC messages, out of which only four predicted one or the other measure of SCC Impact. However, only



Notes: *One SCC impact dimension predicted; **two SCC impact dimensions predicted; ***three SCC impact dimensions predicted

Figure 2.
Model of strategic corporate communication for service sector (based on findings from the study)

identity and image messages during crisis and change predicted all the four dimensions of SCC Impact. It is significant that values and excellence-based messages did not predict SCC Impact, but it was still more surprising not to find environment and employees health messages predicting any of the impact measures in the Indian service sector; specially because the latter is congruent with post modern values, like responsibility toward environment and society (Inglehart, 1997). Other researches have in fact found that corporate social responsibility reporting as part of SCC led to perceptions in stakeholders about the organization being ethical (Van de Ven, 2008; Fukukawa *et al.*, 2007).

The model further shows that service sector uses five clusters of medium to communicate SCC messages, out of which four predicted some of the SCC impact measures. Significantly virtual medium and mandatory reports predicted all four SCC impact dimensions. It is noteworthy that the popular medium – advertisements and social networks did not predict any of the four measures of SCC impact, specially since the former (advertisements) is one of the earliest modes of corporate communication, and latter (social network sites) are of recent origin. An explanation for this could be that communication space today is over crowded with presence of multiple channels of communication available to companies to choose from. Virtual medium like websites, blogs, domain portals, etc. are interactive, allowing the receiver a richer communication experience in a focus area, and thus have the probability of becoming the preferred means of communication for corporations. The traditional advertisement is one way communication and because it does not engage individuals, the communication experience is poorer and therefore is less likely to lead to SCC impact. Finally social network sites, even though they are interactive and enriching, have a clear social focus; and therefore any company-related formal information is likely to be ignored or treated casually. Four sets of stakeholders to whom SCC is directed were identified, and among these primary stakeholders – employees, customers and shareholders predicted all four SCC impact dimensions indicating that stakeholders who are proximate and with whom company has greater economic, social- and work-related interactions are important.

Corporate communication has become the guiding principal for communication management in organizations, and has expanded from a nebulous and limited activity to an organization-wide strategic function spanning functional and disciplinary confines. When used judiciously by companies, it can simultaneously impact large stakeholder groups both within and outside the organization and help synergize internal work culture and build goodwill externally. Organizations often seek to modify the mindset of stakeholders and the findings of the study can help design appropriate communication strategies to bring about change. For instance, if a service sector organization wants to increase Communication Synergy, it should focus on motivational messages (celebrations, felicitations and top management messages related to strategy and plans); use virtual medium (intranet, websites and blogs), and engage in direct communication with primary stakeholders (employees, customers and shareholders). In this study regression of aggregate composite index of messages, medium and stakeholders on the four dimension of SCC Impact showed that choice of messages predicted all four measures of SCC Impact and had highest β coefficients, followed by choice of medium. According to Argenti (2007), proper structuring of messages makes them meaningful and understandable to their target groups/stakeholders, and van Riel and Fombrun (2007) have emphasized that messages should be structured in the form of a corporate story linked with reputation, and further, the quality of information is important in fostering trust in the organization (Thomas et al., 2009).

SCC and

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Before concluding the paper the limitations and direction for future research need to be mentioned. One limitation was the problems faced during data collection due the resistance of potential respondents to disclose company-related information. To offset this problem it is suggested that future researchers should conduct company-specific studies through in-house sponsorships, which will ensure in-depth data. Further since survey data has inherent limitations, it is suggested that more innovative qualitative research techniques can be applied to obtain deeper insight in SCC. The study was conducted solely in the service sector and therefore generalizability of findings to other sector remains untested. With respect to directions for future research a few suggestions are presented. First, it would be useful to know which of the three dimensions of SCC Impact actually translate into productivity, growth and organizational effectiveness. Second, it would be worthwhile to know if the proposed theoretical model is applicable in culturally different work settings, as well as across different sectors like manufacturing, NGOs or government organization. Finally it would be useful to examine the mediating role of stakeholders and medium in the model to understand which are the best combinations of message, medium and stakeholder for increasing SCC impact.

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