Antecedents and Consequences of Corporate Communication Management (CCM): An Agenda for Future Research

Abstract

Purpose. This paper aims to provide a degree of clarity on the corporate communication management (CCM) concept, by building a conceptual framework that uncovers its underlying antecedents and consequences. Although it is consolidated that corporate communication and information together play an important role in strategic management planning due to the high relevance of managing positive relationships with multiple stakeholder that have a strong impact on corporate survival, extant literature suggests that there have been few empirical studies so far assessing the contribution of CCM to organisational performance.

Design/methodology/approach. The paper is conceptual and a model is developed as a result of an extensive critical multidisciplinary literature review.

Findings. Findings of this study identify three antecedents of CCM, namely culture, information and communication technology (ICT) innovation diffusion and corporate leadership. In addition, the study highlights a potential positive relationship between CCM, financial performance and corporate mission achievement. An integrative conceptual framework and a detailed summary table are presented in the paper.

Originality/value. This study provides a comprehensive critical insight into a growing body of corporate communication and information business literature that offers the basis for a
thorough assessment of CCM contribution to organisational performance. By doing so, it advances the body of applicable knowledge of corporate communication meant as a strategic management lever. Moreover, the managerial and policy implications provided in this paper may help corporate communication and information practitioners to identify the key guidelines for the design and implementation of an appropriate CCM program.

**Keywords:** Corporate communication, corporate culture, information and communication technology, leadership, innovation diffusion, organisational performance
Introduction

Corporate Communication Management (CCM) has instigated the interest of several researchers and practitioners in response to an increasing concern for the communication process in complex and sophisticated organisations. It entails the process of communicating information, organisational views and objectives to eminent stakeholders and is a key component to any successful management strategy (Goodman 2000; Yamauchi 2001). Over the past two decades, academics and practitioners have undertaken different forms of research to define and develop varying methods of measuring corporate communication management in order to provide a more systematic and coherent concept that is operational and measurable. Nevertheless, no one method has been defined as the most effective, and assessment methods remain unclear (Christensen and Cornelissen, 2011; van Riel, 1995).

Although most corporate communication and information professionals could benefit from using an integrated and more organised framework, the academic field of corporate communication remained scattered, divergent, and lack coherence (Belasen, 2008; Christensen and Cornelissen, 2011). This confusion, regarding the central concept of corporate communication management, has still not been resolved (van Riel 1997) and the knowledge about this phenomenon is still limited. For example, review of the literature suggests that there have been many attempts to define corporate communication management, unfortunately, there is no conclusive definition for the term. It has been defined differently in various research areas and there is a lack of understanding of corporate communication management in organisations.

The objective of this paper is to review and analyse the determinants and consequences of CCM by providing an integrative framework and to suggest directions for future research. It
is posited that a broader view of corporate communication is needed to capture its dimensions; therefore, this paper will attempt (a) to define corporate communication management particularly in marketing, information and communication research and (b) to conceptualize CCM as a multidimensional construct to capture all its peculiarities. Implications exist for both researchers and practitioners alike.

The rest of the paper is organised into three main parts. First, corporate communications are defined and their properties are discussed. Second, the determinants of CCM are explored. Third, the relationships between CCM and its consequences are examined. The paper concludes with a number of incisive recommendations.

**Defining Corporate Communication**

The definition of corporate communication has been tackled with by many scholars and can be seen from different perspectives. As comparison, Table 1 shows some definitions as posited by scholars in corporate communication:

Insert Table 1 Here.

Based on the review of literature above, three significant characteristics of corporate communication can be delineated as follows:

1. **Management instruments or tools:**

   The concept of management in corporate communication is salient to many organisations (Argenti, 1994; van Riel, 1995; Cornelissen, 2008; Valackiene, 2010). The management function can be seen in corporate communication in terms of planning, controlling, organising
and coordinating the communication’s message and information to internal and external stakeholders of the organisations.

(2) *Internal and external communication*:
During the transformation process of an organisation, *internal communication* is the sharing of messages which includes giving and taking orders and directives, generation, dissemination and interpretation of performance data and task instructions (Varey, 1998); while *external communication* messages are shared between organisational members and external audiences in the form of promotional messages through mass communication media and inward in the form of market information. The medium of communication (media) is dependent on who is the receiver (stakeholder). Media used by organisations to transfer organisational messages and information to stakeholders might vary. This may include: *Internal mail, intranet, face to face, circulars or bulletins*. However, to attend to various numbers of external stakeholders, mass communications instruments such as electronic media (television and radio), print media (newspaper and magazine) and new media (internet) are the most influential to persuade stakeholders.

(3) *Stakeholders or audiences*:
The receiver of the organisational communication’s message is a stakeholder. Stakeholders can be divided into internal or external stakeholders (Cornelissen, 2008; Goodman, 2000; van Riel, 1995). For example, the employees and top management of the organisation can be considered as internal stakeholders, while external stakeholders may include media, non-governmental organisations (NGO), government agencies, customers and competitors.
Taking into account the prevailing definitions and important characteristics of corporate communication, this study defines corporate communication as management of the organisational perception which can be influenced from all internal and external information (message of communication) means and measures (Cornelissen, 2008; Schmidt, 1995). Therefore, the collective message from both sources (Haynes, 1990) conveys an organisation identity (Gray, 1995; Gray and Balmer, 1998) through every form, manner and medium of communication to the respective stakeholders. A stakeholder in this context is defined as anyone who has a stake in the organisation’s success including vendors, customers, employees and executives of the organisation (Goodman, 2000).

**The Link between Corporate Communication and Management**

Goodman (2000) believes strategic action should be practiced by professional managers to establish and maintain favourable and coherent corporate communication across different stakeholder groups (Cornelissen, 2004). This group includes both internal and external stakeholders of the organisation (van Riel and Fombrun, 2007). The main objective for strategic communication is to communicate effectively (Goodman, 2000) and advocate a positive attitude (Argenti, 2000) among workers. The most important corporate communication provides a potential route for competitive advantage for the organisations (van Riel, 1995).

Since corporate communication entails selectively communicating the strategic organisation’s views and objectives to those stakeholders (Valackiene, 2010) whom it regards as important CCM can, therefore, be described as a key management strategy. Its role as a strategic management function grows significantly especially when dealing with corporate management issues (Yamauchi, 2001). Therefore, the corporate communication role is vital as
a management function in contemporary organisations (Goodman, 2004) and is confirmed as an instrument of management (Welch and Jackson, 2007).

Today, corporate communication practitioners are expected to manage extremely complex and varied operations in an organisation. They should be knowledgeable in the business-related activities and areas like advertising marketing, information systems, research, etc., in addition to other conventional roles relating to public relations activities (Harris and Jennings, 1986). Therefore, the greatest challenge to the organisation system is “the pressure from various constituencies and stakeholders such as shareholders, the media, financial analysts, and the labour forces itself” (Argenti, 1996, p.10) because those of the stakeholders are educated and demanding (Dowling, 1990).

Many scholars in previous research have established a link between corporate communication and management (Varey, 1997; Varey and White, 2000) and recent studies also confirm corporate communication as a strategic management function (Cornelissen et al., 2006; Goodman, 2006; Valackiene, 2010). A management function plays a key role in the development and maintenance of corporate communication for overseeing and coordinating works in different disciplines such as public affairs, media relations, information and internal communication (Cornelissen, 2008). In a business setting, corporate communication has to deal with stakeholder perceptions to gain competitive advantage for the organisations. Therefore, corporate communication can be defined as a management function that is responsible for overseeing and coordinating the work done by communication practitioners in different specialist disciplines. These include media relations, public affairs and internal communication (Cornelissen 2008).
In an attempt to relate corporate communication and management, this paper has adapted similar approach used by Simoes, Dibb and Fisk (2005) in their research on corporate identity management (CIM). According to Simoes, Dibb and Fisk (2005), management plays a key role in the development and maintenance of corporate identity, including paying particular attention to the internal and controllable aspect of the process. Therefore, management role also appeared in corporate communication by giving their focus to the controllable communication in the organisations. The controllable functions of CCM include managing public relations, employee communication, investor relations, corporate advertising, information and data, etc. (Balmer and Soenen, 1999). These involve communications with internal stakeholders (employees), and also external stakeholders (media, customers and government) that can be managed and controlled directly. Despite CCM functions being manageable, uncontrollable communication such as informal communication between employees with outsiders and third party reports (Balmer and Soenen, 1998) cannot be directly managed but can be influenced through an effective CCM programme.

**Antecedents of Corporate Communication Management**

This section summarizes the antecedents of Corporate Communication Management (CCM) mentioned as empirically tested in previous research. There are three categories of antecedents, namely: *Corporate culture, ICT innovation diffusion* and *corporate leadership*.

**Corporate Culture**

The first set of antecedents included in the present study pertains to corporate culture in an organisation. Several authors suggest that corporate culture plays a critical role in forming an organisation’s communication and information system (Clausen, 2007). It has been conceptualised in many ways comprising of multiple sets of dimensions such as *beliefs*
(Denison 1990; French and Bell 1984; Pettigrew 1979; Schein 1990), values (Deal and Kennedy 1982; Denison 1990; French and Bell 1984; Peters and Waterman 1982; Quinn 1988) and behaviour (Denison 1990; French and Bell 1984; Kotter and Heskett 1992; White 1991). These dimensions serve as a substructure for an organisation’s management system as well as the set of management practices and behaviour (Denison, 1990). It further comprises the ideas that guide an organisation’s standpoint towards employees and customers (Pascale and Athos 1981). Furthermore, corporate culture is defined as ‘the pattern of shared values and beliefs that help individuals understand organisational functioning and thus provide the norms for behaviour in the organisation’ as proposed by Deshphande and Webster (1989, p. 4).

CCM and corporate culture are closely interrelated. The statement ‘culture is communication and communication is culture’ (Hall 1959, p.186) reflects the importance of each variable; it leaves both culture and communication as all encompassing. According to Smith (1966), the elements of communication are varied and change from time to time. Interestingly, the elements of culture can also be influenced and hence changed. Although being essentially different, culture and communication, as concepts, are linked with one another. For the purpose of this paper, we need to understand their interrelationship and mutual dependence in detail to account for the influence of corporate culture on CCM.

In linking corporate culture with CCM, this paper concentrates on the evaluative of corporate culture, which include consensual culture, entrepreneurial culture, bureaucratic culture and competitive culture. Consensual culture emphasises a loyalty, tradition and internal focus, while entrepreneurial culture emphasises innovation and risk taking. Bureaucratic culture usually refers to internal regulations and formal structures, and competitive culture is
characterised by an emphasis on competitive advantage and market superiority (Deshpande and Farley, 1999).

Acquiring all types of corporate culture can help a company to influence the positive assessment of CCM by its stakeholder. According to Sadri and Lees (2001), a positive corporate culture provides immense competitive edge to the organisation. As a result, the company has a significant impact on a firm’s long-term economic performance (Rashid, Sambasivan and Johari, 2003).

Corporate culture reinforcement on the importance of CCM is likely to encourage all level of organisational communication system (individual and group is essentially based upon believes and behaviour to create the fundamental identity for the organisation. Such organisation’s culture will also enhance and improve the relationship between the management and the staffs as well as workers in general (Varey 1997). Taking into account the above discussion thus far, it is proposed that:

\[ P1: \text{Corporate culture is positively associated with CCM.} \]

Empirical research also shows a positive relationship between corporate culture and organisational performance (Clement 1994; Kotter and Haskett, 1992; Rashid, Sambasivan and Johari, 2003; Sheridan 1992; Van der Post et al., 1998) particularly, on an organisation’s long-term economic performance. However, Calori and Sarnin (1991) did not find any consensus on the relationship between corporate culture and economic performance, while Denison (1990) posited that certain types of culture could enhance organisational performance.
Previous research by Chatman and Jehn (1994), Denison and Mishra (1995) and Kotter and Heskett (1992), contributed to the field of culture-performance studies by explicitly acknowledging that culture is being treated as a variable for a specific research purpose. Adopting a more rigorous methodology, Denison and Mishra (1995) discovered that cultural strength was significantly associated with short-term financial performance while Kotter and Heskett (1992) refined the culture-performance framework (Lee and Yu, 2004). However, while culture researchers have devoted several articles to the nature and definitions of culture, relatively less research has been contributed towards culture and performance research (Reichers and Schneider, 1990).

Despite previous research, a number of researchers sustain that there is a strong relationship in the contexts of corporate companies (e.g. Rashid, Sambasivan and Johari, 2003; Van der Post et al., 1998). The impact of corporate culture on organisational performance can be discussed from two perspectives: (1) non financial performance, and (2) financial performance. Both financial and non-financial measures are vital to determine the organisational performance (Harold and Darlene, 2004; Kaplan and Norton, 1992; Rajender and Jun Ma, 2005) and with that the more comprehensive results can be acquired (Rose, Kumar and Ibrahim, 2008).

Corporate culture has a strong impact on non-financial performance of the organisations. For example, Kotter and Heskett (1992) found that firms with ‘adoptive values’ are strongly associated with manager performance over a long period as in comparison to just determining organisational performance. Saffold (1988) mentions that managers with a strong sense of mission are more adaptable to internal change. This notion is reflected in Kotter and Heskett’s (1992) discussion on adaptable culture. Rashid, Sambasivan and Johari (2003) suggest
managers should understand the employees’ behaviour in order to develop the right organisational setting. They then can determine the characteristic of an employee to match with such culture. They stressed on the importance of identifying the nature and type of corporate culture to elicit the key values, beliefs and norms in an organisation that has been proven to give many impetuses to the success and manager performance of the organisation.

Kotter and Heskett (1992) have indicated that corporate culture has an impact on a firm’s long-term financial performance. Such corporate culture will probably be an even more important factor in determining the success or failure of firms in the next decade. Findings have also shown that corporate cultures that inhibit long-term financial performance are not rare, and that they can develop easily, even in firms that are staffed by reasonable and intelligent people; it is because financial performance is correlated with return on assets, return on investment, current ratio (Rashid, Sambasivan and Johari, 2003), growth in annual premium and sum assure in insurance firms (Lee and Yu, 2004). In addition, the financial data offers an accurate basis in measuring organisational effectiveness.

Therefore, this model provides a comprehensive approach in understanding the types of culture that may influence organisational performance. In view of the contradictory observations, this study will proceed on the assumption that there will be significant correlations between corporate culture and organisational performance.

\[ P2: \text{Corporate culture has an influence on organisational performance.} \]

**ICT Innovation Diffusion**

The second antecedent of CCM relates to technology. Several research studies showed benefits from using information and communication technology (ICT) such as CRM, ERP
and Intranet, which is considered significant for creating competitive advantage (Jaworski and Kohli 1993; McKee, Varadarajan and Pride 1989; Papastathopoulou, Avlonitis and Panagopoulos, 2007; Yu et al., 2015). It can be imperative in reducing uncertainties surrounding production and administration processes (Dewett and Jones, 2001) and significant determinant of technical performance and productivity of R&D project teams (Allen 1984; Pelz and Andrew 1966). Moreover, best practices companies are pioneering in innovative methods of technology use, which resulted in increased accessibility (Arvidsson, 2012; Forman and Argenti, 2005).

Attewell (1992) divided his research into two metaphors of innovation diffusion research. First, the process of communication influences potential user by providing them with information needed about of the new technology. They are then persuaded to adopt and use the technology (Rogers 1995 cited from Attewell 1992, p. 2). Such an approach delineates the patterns of adoption across organisations, which reflects a pattern of communication flows. The second metaphor is an economic view where diffusion can be seen from the cost and benefit aspect. The impact on diffusion will be slow if the cost of the new technology is very high; however, if they perceives higher profits from innovation, faster adoption will occur (Mansfield, 1968).

According to Argenti (2006, p.357) “corporate communication is being reformulated by unprecedented technology change” and radically alters the ways corporations interact with their constituencies (Arvidsson, 2012; Ihator, 2004). Currently, corporations interact directly and indirectly to their stakeholders through various channels i.e. a growing list of websites, blogs, online chat rooms, Facebook and twitter (Nguyen et al., 2015). In the context of corporate communication functions, usually the company is engaged with both internal and
external stakeholders through investor relations, media relations, internal communication and employee relations where information technology becomes an important channel of communication.

ICT is very important for organisations to disseminate their corporate information to the various stakeholders. Papastathopoulou, Avlonitis and Panagopoulos (2007) believe ICT innovation provides improvement in communication activities, especially with customers and investors. For example, technology is quite often used by organisations to inform, influence and remind the customer about new products, or services offered by the company through corporate advertising (Nguyen et al., 2016). The new media of ICT such as the internet also could provide a big impact on the efforts to create effective investor relations (Deller, Stubenrath and Weber, 1999). It can save various costs such as printing and sending annual reports, proxy statements, quarterly reports, and dividend statements to the thousands or perhaps millions of shareholders (Harris and Sieder, 2001). Preparation and publication of all documents on the web site can reduce operating costs and increase communication efficiency. Therefore, the role of management on the adoption of ICT diffusion innovation is essential to improve its corporate communication functions.

The integration of technology with corporate communication functions can be significantly increased when there are effects of globalisation on the organisation. The effects will influence the process of transferring information, thoughts or the emotional attitude of an individual or group to another individual or group (Theodorson and Theodorson, 1999) especially in an international communication context. Therefore, technology has functions as a pattern for instrumental action to reduce any uncertainty occurring in the cause and effect relationships in an effort to achieve the desired goals of the organisations (Rogers, 1995). In
this situation, the management role is to understand the need of ICT diffusion innovation in communicating organisational messages to global stakeholders (Li and Nguyen, 2017).

Based on the above arguments, this paper discusses the management role in examining ICT diffusion by investigating the factors of management of ICT diffusion, ICT use within the organisational context and its effects to CCM. The research has the potential to suggest possible ICT innovations that may be applied in the corporate organisation to improve the communication internally and externally and the organisation’s performance. Taken into account the four main reasons as highlighted above, the overall effect of ICT innovation diffusion management on CCM could be as follows:

\[
P3: \text{Overall ICT diffusion innovation management is positively associated with CCM.}\]

**Corporate Leadership**

Several studies have found important relationships between transformational leadership and organisational functioning (Avolio and Bass 1988; Bass, Avolio and Goodheim, 1987; Waldman and Bass 1987). Within an organisation, the leader plays an important role as an information provider to his or her subordinates at various levels (Andrews and Kacmar 2001; Miles, Patrick and King, 1996; Schnake et al., 1990; Varona 1996). For example, Allert and Chatterjee (1997, p. 14) observe that the role of a leader as a ‘listener, communicator and educator is imperative in formulating and facilitating a positive organisational culture’. The responsibility of leaders is to ensure the overall vision of the organisation is achieved. As prerequisites to make the organisational vision become a reality, the leader should have a skill of communication to build a vision of trust and enthusiasm for the organisation’s future.
Generally, leadership can be defined as a person who has an ability to inspire, motivate, and create commitment to common goals is crucial (Bass and Avolio, 1997). Corporate leadership must show willingness to take risks and to accept occasional failures as being natural (Kohli and Jaworski, 1990). In the business context, for example, the leader must accept responsibility for the building of trust within the organisation’s corporate culture. The building of trust comes initially through the leaders’ ability to communicate in such a manner that enhances trust in interpersonal relationships, team building and organisational culture, internally and externally (Allert and Chatterjee, 1997).

Several studies reveal that leadership has a relationship with CCM. Oakland (1993) believes that good leadership is mostly about good communication. This means that top management must be clear when transmitting details on strategic change. For example, Kouzes and Posner (1987), urge corporate organisations to have good leaders to communicate their visions in various ways including written statements and personal communication. Therefore, Weber (1947) used the term of ‘charisma’ to define an extraordinary characteristic of a leader. A charismatic leader uses many mechanisms and tools appealing to senses and emotions, when communicating to subordinates (Takala, 1997).

There are many studies on a relationship between communication and corporate leadership (e.g. Hetland and Sandal, 2003; Oh, Kim and Lee, 1991; Snyder and Morris 1984; Takala 1997). Nevertheless, few studies specifically focus on CCM and the link corporate leadership. In leadership research, communication can be defined as a process of sharing information, ideas or attitudes, resulting in a degree of understanding between a sender and a receiver (Lewis 1980). Communication involves more than just giving correct information. The latter
should be clear, easily understood, convincing, valid and reliable, given that it reaches the right decision makers (Takala, 1997).

To link corporate leadership and CCM, the relationship of the two variables can be seen in various perspectives. First, leadership has a direct relationship with the corporate communication in the organisations. This relationship can be seen in cross-cultural research. Den Hartog et al. (1999) found that many attributes associated with transformational leadership appeared to be cultural sensitiveness and ambitiousness. Attributes such as communicative skill, trustworthiness, and the ability to encourage and persuade were universally endorsed as components of outstanding leadership skills in the study (Hetland and Sandal, 2003).

Secondly, the relationship also appeared in the interpersonal communication. Oh, Kim and Lee (1991) studied the relationship among leadership, leader-subordinate interpersonal communication and subordinate satisfaction and project success in project teams with special emphasis on official and non-official communications. They defined official communication as formal, vertical, personal and instrumental communication while non-official communications as informal, vertical, personal and expressive communication. This study shows that the interpersonal communications abilities of leaders were more correlated with showing consideration (Miraglia, 1964). A leader with high consideration is more likely to be concerned about interpersonal relations and emphasise communication with subordinates (Jablin, 1979; Redding, 1972). Taking into account the above discussion thus far, it is proposed that:

\[ P4: \text{Corporate leadership is positively associated with CCM.} \]
Capon, Farley and Hoenig (1990) suggest that more research on the organisational performance is called for. To date, there have been a number of studies carried out by the researcher to provide useful insights into the relationship between leadership and organisational performance to various organisational outcomes (Jacobs and Singell, 1993; Mulford et al., 2008). The developments of research leadership-performance are expanding in the 1980s when the notion of transformational leadership has been brought to the forefront by Bass (1985). This notion is based on the theoretical work of Burn (1978) adding to the existing dimension of leadership.

Currently, in general, substantial evidence indicates the transformational leadership behaviour positively influence organisational performance (e.g. Avolio, 1999; Bass and Yammamino, 1991; Bass and Avolio, 1994; Keller, 1992; Yammamino and Bass, 1990). For example, Howell and Avolio (1993) reveal three measures (charisma, intellectual stimulations and individualised consideration) of transformational leadership are correlated positively to business unit performance over a one year interval. Furthermore, meta-analysis conducted by Lowe and Kroeck (1996) also confirms that transformational leadership is correlated with work unit effectiveness across different contexts. Both sets of research demonstrate similar findings with Jaworski and Kohli (1993) that reports strong or weak effects on business performance depending on environmental conditions such as leadership style.

Previous research has established a link between a favourable corporate leadership and organisational performance. As has been iterated, transformational leadership has primarily concentrates more on comparing the transformational leadership effects on employee attitudes, satisfaction and job performance (Bass, Avolio and Goodheim, 1987; Waldman, Bass and Enstein, 1987). However, less attention has been paid in the evaluation of other key
factors that may also directly influence performance impact of transformational leadership on criterion variables including financial performance and mission achievement.

The relationship between corporate leadership and financial variables (market share, debt to equity, and return on asset, stock price and earnings per share) has been conducted by Avolio, Waldman and Einstein (1988). Research conducted by Avolio, Waldman and Einstein (1988) finds there are relationships between corporate leadership and financial variables (e.g. market share, debt to equity, return on asset, stock price and earnings per share). They find transformational leadership is positively related to financial performance; this is also supported by Koene, Vogelaar and Soeters (2002) who examined the effects of different leadership style on two financial performance measures. The both findings give strong justification to the relationship of leadership with financial performance.

Although there is substantial research on leadership and non-financial performance, research on leadership and mission achievement is limited. For instance, Yammarino and Bass (1990) believe that the transformational leader has been characterised as one who articulates a vision of the future, shares it with peers and subordinates, intellectually stimulates subordinates and pays high attentions to individual differences among people. Elenkov (2002) concludes in his research that a leader who displayed more charisma, individualised consideration and intellectual stimulations positively contributed to the achievement of organisational goals (Elenkov, 2002). Only a few integrated studies consider the nature of leadership and the mission achievement of organisations as a strategic plan. The literature review did not reveal empirical evidence for the effects of transformational leadership on mission achievement. However this research expects leadership styles to have a positive effect on corporate performance.
More specifically, this research proposed that leadership plays an important role in organisational performance. A further analysis of the relationship between organisational performance, and leadership is needed. An understanding of how and why leadership affects organisational performance, the role of leadership in corporate organisations and how this relationship is related to objective and financial performance needs to be explored. Therefore, this study proposes that:

\[ P5: \text{Corporate leadership has an influence on organisational performance.} \]

Consequences of Corporate Communication Management

In this section, the relationship between CCM and organisational performance variables are examined from marketing and management perspective.

Organisational performance

According to Nickson and Siddons (1996), lack of communication is the cause of breakdowns in inter-organisations relationships. Communication played an important role for the success of corporate organisations (Makovsky, 1992). Improved corporate communications affect an organisational performance positively (Cornelissen and Lock, 2001) as suggested by a number of studies. Empirical research reveals that communication is positively correlated with organisational performance variables such as job performance (Pincus 1986; Petit Goris and Vaught 1997; Varey 1997), job satisfaction (King, Lahiff, and Harfield, 1988; Petit, Goris and Vaught, 1997; Wheeless, Wheeless and Howard 1983), and employee productivity ( Clampitt and Down, 1993). Other variables studied included individual performance, organisational performance and organisational productivity (Garnett, Marlowe and Pandey, 2008).
Nevertheless, empirical research has not investigated the relationship between CCM and organisational performance as a construct. Instead, it has looked upon a wide range of communication variables (Downs, Clampitt and Pfeiffer, 1998), and most studies focussed on assessing general communication effectiveness and the effect of specific communication behaviour on performance (Garnett, Marlowe and Pandey, 2008). In this study, the link between CCM and organisational performance, both as an outcome variable as well as a construct, is thoroughly examined. From the strategic management and marketing point of view, organisational performance is pivotal for competitive advantage (Kohli and Jawoski, 1990).

Parallel to past research (e.g. Capon, Farley and Hoenig, 1990), this paper divides the organisational performance into two sets of performance: (1) a dependent variable measuring financial performance, (2) non-financial explanatory factors. Financial performance variables include widely used measured embracing levels, growth and variability in profit (typically related to assets, investment or owner’s equity). It also includes measures such as return on asset (Bourgeois, 1980; Dess and Robinson, 1984; Rashid, Sambasivan and Johari, 2003), return on investment (Ansoff 1965; Denison 1984; Rashid, Sambasivan and Johari 2003) return on equity (Pfeffer, 1972; Schellenger, Wood and Tashakori, 1989; Vance, 1955, 1964), sales (Denison, 1984; Vance, 1955, 1964) and market value (Kim, Lee and Francis 1988). Few studies link communication and organisational success in terms of financial performance. This study attempts to fill the gap by providing empirical research on the impact of communication on organisational performance.
Research on financial performance has been conducted using several techniques. Peters and Waterman (1982) found 36 American companies that achieved and an excellent performance score on six performance measures: compounded asset growth, average turnover growth and average return on market to book value, average return on total capital, average return on equity and average return on sales. Rashid, Sambasivam and Johari (2003) use three financial performance measures - return on assets, return on investment and current ratio. Denison (1984) on the other hand, uses return on investment, return on equity and return on sales as a financial performance in his research on 34 companies across 25 industries in US. To synchronise with a previous study that also focuses on public listed companies (Rashid, Sambasivam and Johari, 2003), this paper proposes three major indicators of financial performance consisting on the return on assets (ROA), return on investment (ROI) and current ratio (CR).

Non-financial organisational performance measurement can be examined from three perspectives. These include management, human resources and marketing. The variables to measure organisational performance in marketing relates to mission achievement (Blackmon 2008; Niven 1984) market share, product quality, sources of competitive advantage and industry structure (Porter, 1985). Deshpande, Farley and Webster (1993) use organisational innovativeness with the analysis embedded within a framework of organisational culture for the management perspective. Other authors use different approaches: human resource perspective concentrated on job performance (Pincus 1986; Pettit, Goris and Vaught, 1997); job satisfaction (Pettit, Goris and Vaught 1997; Wheeless, Wheeless and Howard, 1983) and employee’s productivity (Clampitt and Downs, 1993). In line with past research (Blackmon 2008), this paper proposes mission achievement as a measurement for the non-financial organisational performance.
Although a growing body of research shows linkages between communication and organisational performance, the relationship still needs further exploration because so little of the existing research has occurred in corporate companies. The direct influences of CCM remain largely unexplored. This research attempts to bridge these gaps by reporting large-scale research emphasising CCM’s direct influence on performance.

Based on the past literature review, the researcher found previous study has not measured the relationship between CCM and specific organisational performance variables i.e. financial performance and mission achievement. Even though no empirical study has been undertaken previously, based on communication research and other performance such as Advertising Valuation Equivalency (Chang and Abu Hassan, 2006), corporate productivity, (Lull, Frank, and Piersol, 1955), satisfaction (Pincus, 1986) and team performance (Gudykunst and Nishida, 2001), many scholars believe both variables (financial performance and mission achievement) have a significant relationship with CCM. Taken together with the explanation above, it is proposed that:

\[ P6: \text{The relationship between CCM and organisational performance is positive and statistically significant.} \]

Insert Figure 1 Here.

Conclusion

The conceptual model as depicted by Figure 1 is based on a review of existing research in the fields of corporate communication, public relations, marketing communication, information science, management communication and organisational communication, corporate leadership
as well as organisational performance. A corporate company with good corporate communication management is able to persuade their stakeholders and increase the organisational performance. Although corporate organisations are controlled by professional people with high qualifications and experience in management, communications are vital elements for organisational performance. CCM also plays an indispensable role in enabling stakeholders understand the body of the organisation and its identity. In corporate organisation, a strong leadership is undeniably required.

Findings, as analysed and discussed throughout this paper, show that corporate organisations need to be more concerned with corporate communication management and the quality of leadership. Since corporate communication management is neglected in many corporate organisations, this research aims to draw management’s attention to the relevance of the subject and to provide valuable suggestions towards its implementation. The challenge for future researchers is to identify the construct of corporate communication on two main levels: firstly as an interdisciplinary academic field of study that draws on a broader range of specialties, bound by theoretical and methodological issues; secondly as a community of practice in which individuals and groups with similar occupational skills share common goals and interests that are associated with corporate communication.
References


Blackmon, V.Y. (2008), Strategic planning and organisational performance: An investigation using the balanced scorecard in non-profit. PhD diss., Capella University, US.


Vance, S.C. (1955), Functional Control and Corporate Performance in Large Scale Industrial Enterprises, The University of Massachusetts, Amherst, MA.


Table 1: Multiple definitions of corporate communication

<table>
<thead>
<tr>
<th>Related References</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jackson (1987)</td>
<td>Corporate communication is the total communication activity generated by the company to achieve its planned objectives.</td>
</tr>
<tr>
<td>Shelby (1993)</td>
<td>Corporate communication locus is collectivities that exist inside and outside organisations. Its focus is intervention, based on both analysis (environmental scanning, for example) and synthesis (comprehensive issues management plans). Its practical grounding is skills and method.</td>
</tr>
<tr>
<td>Blauw (1994)</td>
<td>Corporate communication as the integrated approach to all communication produced by an organisation, directed at all relevant target groups. Each item of communication must convey and emphasise the corporate identity.</td>
</tr>
<tr>
<td>Van Riel (1995)</td>
<td>Corporate communication as an instrument of management by means of which all consciously used forms of internal and external communication are harmonised as effectively and efficiently as possible, so as to create a favourable basis for relationships with groups upon which the company is dependent.</td>
</tr>
<tr>
<td>Gray (1995)</td>
<td>Corporate communication as the aggregate of sources, messages and media by which the corporation conveys its unique brand to its audiences.</td>
</tr>
<tr>
<td>Schmidt (1995)</td>
<td>Corporate communication as all internal and external information means and measures that aim to influence perceptions.</td>
</tr>
<tr>
<td>Goodman (2000)</td>
<td>Corporate communication is a strategic action practiced by professionals within an organisation or on behalf of a client. It is the creation and maintenance of strong internal and external relationships.</td>
</tr>
<tr>
<td>Van Riel and Fombrum (2007)</td>
<td>Corporate communication can be defined as the set of activities involved in managing and orchestrating all internal and external communications aimed at creating favourable starting points with stakeholders on whom the company depends.</td>
</tr>
<tr>
<td>Cornelissen (2008)</td>
<td>Corporate communication is a management function that offers a framework for the effective coordination of all internal and external communication with the overall purpose of establishing and maintaining favourable reputations with stakeholder groups upon which the organisation is dependent.</td>
</tr>
</tbody>
</table>
Figure 1: A conceptual model of corporate communication management (CCM) based on three theories