The Effects of Organizational Leadership on Strategic Internal Communication and Employee Outcomes

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THE EFFECTS OF ORGANIZATIONAL LEADERSHIP ON STRATEGIC INTERNAL COMMUNICATION AND EMPLOYEE OUTCOMES

By

Linjuan Men

A DISSERTATION

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Coral Gables, Florida

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THE EFFECTS OF ORGANIZATIONAL LEADERSHIP ON STRATEGIC INTERNAL COMMUNICATION AND EMPLOYEE OUTCOMES

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This dissertation aimed to establish the linkage between strategic leadership, internal communication practice and employee outcomes. In particular, it examined the effect of organizational transformational and authentic leadership on internal symmetrical and transparent communication as well as employee outcomes, indicated by organization-employee relationship, perceived organizational reputation and employee engagement. Engagement, believed to be a new paradigm of public relations practice in the new age of social media, was examined as an ultimate outcome of strategic communication associated with relationships and reputation. Through an on-line survey of 402 employees working in large and medium corporations in the United States and the structural equation modeling analysis of the data, this study revealed the following important findings. First, organization-employee relationship is positively associated with employee evaluation of organizational reputation and employee engagement. A favorable organizational reputation in the eyes of employees leads to employees’ higher level of engagement. Second, transformational leadership and authentic leadership both contribute to the development of organization’s internal symmetrical communication system. Third, symmetrical internal communication nurtures organizational transparency, which in
turn, contributes to a quality organization-employee relationship indicated by employee trust, satisfaction commitment and control mutuality; a favorable internal reputation and employee engagement, either directly or indirectly. Fourth, the organization’s authentic leadership helps build a good relationship between the organization and its employees. The effects of transformational leadership on employee outcomes are fully mediated by the organization’s symmetrical and transparent communication. Finally, the study found that employees in general prefer interpersonal media channels than mediated channels to receive information from the organization and their leaders. Social media mediums have not yet been utilized in organization’s internal communication. The findings of the study contribute to the growing body of knowledge on public relations evaluation and measurement, internal public relations, relationship management, reputation management, public engagement and leadership studies in the context of public relations. They also provide important pragmatic implications for public relations professionals and organizational managers.
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A new page has flipped over. Keeping all of these in mind, I will move on with faith, confidence, passion, love, and gratefulness to achieve new goals of excellence in my public relations academic career.
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CHAPTER 1
INTRODUCTION

As concluded by the Excellence study (J. Grunig, 1992a), two key questions have concerned public relations professionals and scholars since public relations was recognized as a critical function for organizations and an independent academic discipline (L. Grunig, J. Grunig, & Dozier, 2002). One is regarding effectiveness; that is, why is public relations important for organizational success or why should a public relations department be considered an investment rather than a cost? The other concerns excellence; that is, how to achieve best practices and highest standards of public relations practice (Michaelson & Stacks, 2010)? Over the past decade, in the search for indicators of public relations effectiveness, two major approaches have emerged and gained attention from both scholars and professionals, namely, organization-public relationships and organizational reputation (Yang, 2007).

Embracing the relationship approach, Cutlip, Center, and Broom (1994) defined public relations as “the management function that establishes and maintains mutually beneficial relationship between an organization and publics on whom its success or failure depends” (p. 6). The value of public relations thus can be identified through “measuring the quality of the relationships it establishes with the strategic components of its institutional environment” (L. Grunig, et al., 2002, p. 539). This relationship management approach has been widely accepted by public relations professionals to date. For example, a search of the key word “relationship” on the PR
*Week* website yielded 326 hits, as compared to 254 for “reputation.” *Reputation*, representing a traditional and an alternative approach to demonstrate the value of public relations to the dominant coalition\(^1\) has kept the momentum as well. Murray and White (2005) argued that public relations has gradually become a central plank of strategic communication focusing on building and protecting reputation. The effectiveness of public relations, in this case, lies in creating favorable reputation which in turn contributes to financial performance and bottom line (Stacks, 2011a, 2011b). Especially with the advent of social media, reputation becomes more fragile than ever before. As Andy Tennen, the senior vice president and director of strategy and development for MSLGROUP, noted “It’s not just daily newspapers, nightly news programs, or even 24-hour cable channels: chatter and criticism now continues nonstop” (*PR Week*, 2010, August 27). The pivotal role of public relations serving both a boundary spanning and environmental scanner function that protects organizational reputation is thereby more widely recognized.

**An Emerging Approach of Public Engagement**

Most recently, a new approach of public engagement emerged to showcase the value of public relations among public relations professionals. In the first Grunig lecture on October 30, 2008, Richard Edelman, president and CEO of the world’s largest independent public relations firm, Edelman Public Relations Worldwide, asserted that public relations can become the profession that melds strategy and communications, constituting the essential bridge between organizations and

\(^1\)The dominant coalition is made of constituents within organizations with the power to influence decisions, set organizational goals and decide how those goals will be met (Dozier, 1990).
stakeholders. Beyond creating favorable reputation and quality relationships, public relations should be able to engage stakeholders of all types with the goal of establishing mutually satisfactory dialogues and participation with the organization. Furthermore, the booming of social media, which is commutative and interactive by nature, facilitates the engaging process. One example Edelman provided was that Starbucks engaged its consumers through soliciting new product ideas from the crowd on MyStarbucksIdea.Force.com site, which reinforces the company’s relationship with its customers while the company listens and learns. Therefore, he contended, “The next generation for public relations is public engagement.”

Public engagement has now emerged as a new major concept in public relations professional literature to demonstrate the effectiveness of public relations. A search of “engagement” on PR Week’s website yielded 433 hits. Such terms as consumer/customer engagement, audience engagement, community engagement, employee engagement, and social engagement are prevalent in these articles. Even governments “are recognizing and leveraging the power of social media to engage with citizens and encourage a deeper collaboration in the function of the communities,” argued David Vermillion, Deputy Chairman for Burson-Marsteller’s U.S. Public Affairs Office (PR Week, 2011, March 21). Bruce Berger, when posing the question of what employee engagement means for the new public relations profession in PR Week, also contended that “engaged employees make a huge difference. They produce competitive advantage for companies, greater financial returns, higher rates of employee retention, and customer satisfaction” (PR Week, 2011, June 3). However,
unlike the increase in discussions on public engagement among public relations professionals, academic research on engagement in the public relations field remains sparse. “Our understanding of engagement so far lacks serious theoretical deliberations as well as empirical support” (Kang, 2010, p.8). Therefore, the present study serves as one of the earliest empirical attempts to examine public engagement as the outcome of public relations at the organizational level. Specifically, it argues that the value of public relations lies not only in cultivating quality relationships with publics and building a favorable organizational reputation, but also in engaging publics into conversations, collaboration, participation and involvement.

**Internal Public Relations: An Employee Perspective**

The literature (e.g., L. Grunig, *et al.*, 2002, Hung, 2006; Yang, 2007) suggests that it is important to incorporate stakeholder perspectives in the study of public relations outcomes such as organization-public relations and organizational reputation. Among different strategic stakeholders that organizations are facing, employees are no doubt one of the most important strategic constituencies for organizations (Kim & Rhee, 2011). This is not only because employees are the production force for the organization, which directly contributes to organizational performance, but also because of their roles as informal spokespersons and ambassadors representing the organization to external stakeholders (i.e., customers, stockholders). Today, with the aid of social media, employees are constructing their own information networks and dialogues, talking about their companies both inside and outside (Grates, 2010). As corporate insiders, what they say about the company is often perceived more credible
than CEOs or public relations messages by the external publics (Edelman, 2008; Kim & Rhee, 2011). Therefore, it is reasonable to argue that internal public relations practice becomes an increasingly important task for public relations professionals. The present study focuses on the internal public relations process by examining the influence of symmetrical communication and transparent communication in nurturing quality organization-employee relationships, favorable employee perceptions of organizational reputation, as well employee engagement.

**Contextual Factor: Leadership Influence**

According to Dozier, L. Grunig, and J. Grunig. (1995) and L. Grunig, et al. (2002), internal characteristics, such as a participative organizational culture, organic structures, symmetrical communication, and gender equality, are critical characteristics at the organizational level for public relations best practices because they not only provide a hospitable environment for excellent external public relations practice, but also facilitate internal communication with employees. However, one may also note that all these organizational contextual factors are tied to one concept—organizational leadership. Leadership of different levels in an organization directly or indirectly determines structural forms, organizational culture and climate, and communications (Yukl, 2006). Different types of leadership advocate different styles of communication in influencing followers, constituting a major component of internal communication system (Whitworth, 2011). Other researchers (i.e., Dowling, 2004; Men, 2011) also maintain that management competence and leadership behaviors can drive public relations outcomes such as perceived organizational
reputation and quality relationships. Nevertheless, as a potential contextual factor that can impact public relations practice and outcomes, leadership has not been fully examined empirically by public relations scholars. The present study proposes that organizational leadership style plays an antecedent role for internal communication and employee outcomes. In particular, two positive leadership styles prevalent in contemporary leadership literature—transformational leadership and authentic leadership—are examined in relation to internal communication.

In sum, the purpose of the present study is two-fold: (1) to investigate engagement as a new outcome of public relations and its relations with organization-public relationships and organizational reputation; and (2) to examine how organizational leadership as a contextual factor influences internal public relations. Specifically, this study proposes a normative causal model addressing the internal communication “effectiveness” and “excellence.” It predicts that transformational and authentic leadership demonstrated in the organization influences the development of symmetrical and transparent internal communication system, which in turn influences the cultivation of organization-employee relationship that affects employees’ perception of organizational reputation and finally employee engagement. Methodologically, quantitative survey method and structural equation modeling (SEM) was used to test the hypothesized causal paths between the variables of interest in the conceptual model.²

² To delimitate this study because of time and cost constraints only the employees’ perspective are examined to investigate the communication practice and outcomes, although it is possible that incorporating the organization’s perspective may provide a more comprehensive understanding of the examined variables.
Implications

The findings of the present study provide several implications for public relations professionals and scholarly research. Theoretically, it contributes to three general areas of public relations knowledge: public relations evaluation, best practices and standards of public relations, and internal communication. Practically, first, the interrelationship demonstrated between organization-employee relationships, perceived organizational reputation, and employee engagement can provide public relations professionals an integrated approach to demonstrate the value of public relations to the top management, thus helping them gain a seat at the decision-making table. Second, public relations professionals may find the findings of this study helpful in understanding how organizational leadership influences corporate communication activities and effectiveness. Third, it provides implications for internal communication professionals on how to build quality relationships with employees, shape favourable employee perceptions of the organization, and better engage them in supportive behaviours, thus improving employee productivity and performance.
CHAPTER 2
REVIEW OF LITERATURE

The present study is guided by two general theories, namely, the value of public relations (i.e., public relations evaluation) and internal public relations best practices (i.e., excellence principles). Moreover, the study is framed by five major theoretical components: organization-employee relationship, employee perceived organizational reputation, employee engagement, internal communication, and leadership style. In this chapter, the relevant theories and notions on these aforementioned focal concepts will be reviewed, hypotheses derived, and research questions posed.

Before the major concepts are elucidated, the definitions of public relations, which lay a theoretical foundation for this study, will be reviewed. Based on that, an overview of the current literature on how to assess the value of public relations will be presented to contend that organization-public relationship, organizational reputation, and public engagement are intertwined approaches that demonstrate public relations effectiveness. Then, the conceptualization of organization-employee relationships will be presented, building on discussions of the definition of organization-public relationships, relationship antecedents, cultivation strategies, and outcomes. Next, the literature on organizational reputation (i.e., definition of reputation, reputation drivers, and effects) from business, marketing, and public relations will be reviewed to define what perceived organizational reputation by employees is, and discuss how the
concept is related to internal public relations strategies and outcomes. After that, employee engagement in the context of public relations will be conceptualized, borrowing the literature from organizational behavior, public administration, and human resources.

Then, the 14 characteristics of excellent public relations will be reviewed, with emphasis on internal contextual factors to guide the following discussion of internal public relations strategies and organizational leadership. In conceptualizing internal communication strategies, the components of the internal communication system, communication channels, and theories of symmetrical and transparent communication will be reviewed initially. Relevant leadership theories, including definitions of leadership, leadership styles and communication, and leadership in relation to public relations practice and effectiveness, will then be discussed. Finally, the links among these focal concepts will be explored and elaborated upon based on previous research findings. A proposed conceptual model is then presented for testing.

**Definitions of Public Relations**

There have been a variety of public relations definitions since it was conceived as a profession and an academic discipline. One of the earliest well-known definitions of public relations was proposed by Denny Griswold, founder of PR News: “Public relations is the management function which evaluates public attitudes, identifies the policies and procedures of an individual or an organization with the public interest, and plans and executes a program of action to earn public understanding and acceptance” (J. Grunig & Hunt, 1984, p. 8). J. Grunig and Hunt (1984) defined public
relations as the “management of communication between an organization and its 
publics” (p. 6). Later in the first Excellence book, J. Grunig further interpreted this 
definition, arguing that public relations is broader than communication techniques and 
specialized public relations programs, such as media relations or publicity, stating, “it 
describes the overall planning, execution, and evaluation of an organization’s 
communication with both external and internal publics—groups that affect the ability 
of an organization to meet its goal” (J. Grunig, 1992a, p. 4). Another definition widely 
avocated by public relations scholars was represented by Cutlip, Center, and Broom 
(1994), who argued that “public relations is the management function that establishes 
and maintains mutually beneficial relationships between an organization and publics 
on whom its success or failure depends” (p. 6). Based on a review of previous 
definitions of public relations, Hutton (1999) defined public relations as “managing 
strategic relationships” (p. 208) with situational roles of persuader, advocate, 
information dispenser, crusader, reputation manager, and relationship manager.

Verčič, van Ruler, Bütschi, and Flodin (2001) proposed a European view of 
defining public relations through a Delphi study covering 25 European counties. Their 
findings showed that key concepts such as communication, relationships, publics, 
mutual understanding, and management represent the understanding of public 
relations of European public relations professionals. They defined four roles of 
European public relations as managerial, operational, reflective, and educational. The 
managerial role (i.e., “to develop strategies to maintain relations with public groups in 
order to gain public trust and/or mutual understanding”) and operational role (i.e., “to
prepare a means of communication for the organization…in order to help organization formulate its communications”) of public relations are similar to how public relations is understood in the North American tradition. However, they argued that public relations also plays a reflective role, which is to “analyze changing standards and values in society and discuss these with members of the organization, in order to adjust the standards and values of the organization regarding social responsibility and legitimacy” and an education role, which is “to help all the members of the organization to become communicatively competent, in order to respond to social demand” (p. 380). Similar to any social science subject, there is no consensus in defining public relations. Most recently, the Public Relations Society of America (2012) updated its definition of the profession as “public relations is a strategic communication process that builds mutually beneficial relationships between organizations and their publics.”

A review of traditional and modern definitions reveals that the most common components in defining public relations across time and cultures appear to be management, communication, publics, and relationships. “Management” involves planning, problem solving (J. Grunig, 1992a), and evaluation (i.e., measurement) (Hutton, 1999). “Communication” is essential to building mutual understanding or harmonious relationships between the organization and publics, because it provides the two parties with a means of sharing information and engaging in dialogues (J. Grunig & L. Grunig, 1992). “Publics” are the internal and external strategic constituencies who are interdependent with the organization, including employees,
customers, investors, suppliers, the media, government, community, and so on (L. Grunig et al., 2002); Stacks (2010) and Stacks and Michaelson (2011) argued that publics can be further broken into audiences, allowing for more precise evaluation of public relations outcomes. In addition, “relationships” concern trust, commitment, shared control, satisfaction, shared value, mutual adaptation, and mutual understanding (Hon & J. Grunig, 1999; Hutton, 1999).

The present study advances the understanding of public relations by focusing on internal public relations or internal communication (which are used interchangeably). Specifically, the study is concerned with how to cultivate a quality relationship with employees, which, in turn, builds favorable internal reputation and employee engagement through leadership influence and strategic communication. The research extends the nomological theory of public relations by addressing the antecedents, strategies, and outcomes of communication management from an internal perspective.

**Criteria for Public Relations Effectiveness**

The value of public relations has been of great concern to public relations scholars and professionals since it was recognized as an important function for organizations and as an independent academic discipline (L. Grunig et al., 2002). Facing the task of demonstrating to top management why public relations should be regarded as an investment rather than a cost, both scholars and professionals have long been searching for criteria to operationalize the intangible public relations process and evaluate public relations effectiveness (e.g., Hon & J. Grunig, 1999;
Huang, 1997, 2001; Hung, 2002; Hutton, 1999; L. Grunig et al., 2002; Ledingham & Brunig, 2000; Stacks, 2010; Stacks, Dodd, & Men, 2010; Stacks & Michaelson, 2010; Yang, 2005).

After reviewing the extensive literature, L. Grunig et al. (2002) concluded that the value of public relations can be evaluated from four levels: program, functional, organizational, and societal levels. The program (micro) level examines the effectiveness of individual communication programs, such as media relations, community relations, and others. The functional (departmental) level evaluates public relations as a whole communication function, comparing the structure and process of the department to a successful public relations department or theoretical principles from scholarship. The organizational (metro) level evaluates the values of public relations through its contribution to organizational effectiveness. The societal (macro) level goes beyond the bottom line of the organization when evaluating public relations, and considers social responsibility. According to L. Grunig et al., “the program level has been the traditional focus of evaluative research in public relations. However, effective communication programs may or may not contribute to organizational effectiveness” (2002, p. 91). Given this assertion, public relations effectiveness at the program level cannot guarantee effectiveness at the organizational level. Thus, what is organizational effectiveness?

Based on literature on organizational theory (e.g., Hall, 1991; Robbins, 1990), L. Grunig et al. (2002) identified four approaches to defining organizational effectiveness: goal-attainment, systems, strategic constituencies, and competing value
approaches. The goal-attainment approach holds that organizations are effective when they meet their goals. The systems approach emphasizes the interdependence of organizations with their environment, holding that organizations are effective when they manage this interdependence well. The strategic constituencies approach focuses on “strategic publics,” who can threaten or help organizations attain their goals and argues that when organizations identify the key publics and build quality relationships with them, they achieve effectiveness. The competing value approach states that organizations are effective when they incorporate the values of strategic constituencies into their goals, and combine these values into decision making (Hall, 1991; J. Grunig & L. Grunig, 2000; L. Grunig et al., 2002; Robbins, 1990).

Integrating these four approaches, L. Grunig et al. (2002) and J. Grunig (2006) argued that public relations has value at the organizational level when it scans the environment as a boundary spanner to determine which elements of the environment are strategic for the organization, helps reconcile the goal of the organization with the expectation of its strategic publics, and develops long-term relationships with strategic constituencies to achieve the organizational goal. Specifically, when public relations helps the organization build relationships with strategic constituencies, the organization saves money by reducing the costs of litigation, regulation, boycott, and others. Meanwhile, public relations also helps the organization make money by cultivating relationships with investors, consumers, and legislators who are needed to support organizational goals (J. Grunig, 2006; J. Grunig & L. Grunig, 2000). Relationships, as one of the major outcomes for public relations, are thereby
recognized as a pivotal criterion to assess the effectiveness or value of public relations for organizations. Likewise, in their search for non-financial indicators to evaluate public relations effectiveness, Stacks (2010) and Stacks and Michaelson (2010) noted that relationships between the organization and publics interact with reputation, credibility, public trust, and confidence to determine public relations’ return on expectation (ROE) of stakeholders and return on investment (ROI). Although intangible by nature, quality relationships will eventually contribute to the bottom line of an organization (L. Grunig et al., 2002; Yang, 2005). In the past decade, numerous studies have been conducted, taking relationships as an outcome measure to evaluate the effectiveness of public relations in both public and private sectors across online and offline settings (e.g., Brunig, Castle, & Schrepfer, 2003; Huang, 2001; Hung, 2005; Kim, 2007; Ledingham & Brunig, 2000; Ni & Wang, 2011; Seltzer & Zhang, 2011; Yang, 2005).

Aside from relationships, reputation is another criterion variable widely recognized by public relations professionals and scholars to demonstrate the value of public relations (e.g., Hong & Yang, 2009, 2011; Hutton, 1999; Hutton et al., 2001; J. Grunig & Hung, 2002; Yang, 2005, 2007). According to Hutton (1999), “reputation manager” is one of the major situational roles that public relations plays. Yang (2005) also noted that public relations professionals have widely advocated reputation management to demonstrate the economic value of the public relations function. Many international public relations firms have embraced reputation management as one of their core practices. Evidenced by the fact that public relations firms make up
the majority members of the Reputation Institute, Yang (2005) argued, “the profession of public relations drives the development of reputation measures and research” (p. 19). Public relations professionals are therefore “uniquely positioned to assist in manufacturing or rehabilitating organizational reputation” (Gibson, Gonzales, & Castanon, 2006, p. 17). Especially with the development of new technology, reputation becomes more fragile than ever. Variables that determine reputation can be affected easily and quickly without notice. Reputation building and protection in the Web 2.0 age becomes more difficult for the public relations professionals.

The connection between organizational reputation and organizational effectiveness has been documented previously by many scholars (e.g., Fombrun & van Riel, 2004; Gibson et al., 2006; Hong & Yang, 2009, 2011; Yang & J. Grunig, 2005). As stated by Gibson et al. (2006), “Positive reputations facilitate and expedite the business of successful organizations and conversely negative ones damage or destroy individuals and organizations” (p. 15). More specifically, externally, a good corporate reputation attracts customers to its products, investors to new investment, and media journalists to favorable press coverage. Internally, a good corporate reputation attracts and retains talents, helps employees internalize corporate values, commit to their work and the organization, engage in dialogues, cooperation and citizenship behaviors, and generate greater employee productivity (Fombrun & van Riel, 2004; Jeffries–Fox Associates, 2000). Therefore, public relations exerts its value for an organization by building positive organizational reputation among strategic publics.
In addition to relationships and reputation, several scholars have examined organizational trust, credibility, and positive behavioral intent (e.g., word-of-mouth) as outcomes generated by the public relations efforts of the organization (e.g., Yang & Lim, 2009; Kazoleas & Teven, 2009; Hong & Rim, 2010; Stacks, 2010). In recent years, the development of new media has transformed the traditional public relations practice. The communicative, interactive, and social nature (Avery et al., 2010) of social media provides the organization with important tools for engaging strategic publics. This trend has led to Richard Edelman’s proposal of “public engagement” as a new approach to the public relations practice. A heated discussion on the “engagement” of stakeholders as a public relations outcome among public relations professionals has been brought up. However, scholarly empirical evidence of the relationship of engagement to public relations practice is lacking. In the current study, the level of public engagement is shown to result from public relations efforts and quality organization-public relationships.

Michaelson and Stacks (2011) noted that the effectiveness of public relations at the program level can be measured from five aspects: awareness (about the brands/products/services/issues/topics), knowledge, interests or relevancy, behavioral intent, and actions, which evaluate the cognitive (e.g., awareness, knowledge), affective (e.g., interests or relevancy) and behavioral responses (e.g., behavioral intent, actions) of audiences. In a similar vein, in the current study, public relations effectiveness at the functional level can be evaluated from the cognitive, affective,

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3 In the current study, “trust” is measured as one dimension of the organization-public (employee) relationship.
and behavioral perspectives. Specifically, organizational reputation measures the publics’ *cognitive* representation of the organization (Yang, 2005, 2007); organization-public relationship measures public trust, commitment, satisfaction, and agreement on mutual influence (Hon & J. Grunig, 1999), which are *affective* and motivational perceptions toward the organization; and public engagement concerns participation and involvement (Rowe & Frewer, 2005), which more *behavior*-oriented (see Figure 2.1).

In the next section, the conceptualization and review of current literature on these three major public relations outcomes are detailed, and the components included in the conceptual model proposed in the present research, namely, organization-employee relationship, organizational reputation perceived by employees, and employee engagement, are further defined.

![Figure 2.1. Integrated model of public relations value and evaluation for the organization. Adapted from Michaelson and Stacks (2011) and L. Grunig et al. (2002)](image-url)
Organization-Public Relationships

Over the past decade, the practice and research of public relations has developed a new emphasis on building, and maintaining quality relationships with strategic publics (Kent & Taylor, 2002). As one of the major outcomes of public relations, the concept of organization-public relationships has been examined by numerous public relations scholars in a variety of contexts (e.g., Brunig, Castle, & Schrepfer, 2003; Bruning & Ledingham, 1999; Cutlip, Center, & Broom, 1994; Hon & J. Grunig, 1999; Huang, 2001; Hung, 2002, 2006; J. Grunig & Huang, 2000; J. Grunig & Hung, 2002; Kim, 2007; L. Grunig et al., 2002; Ledingham & Bruning, 1998, 2000; Ni & Wang, 2011; Seltzer & Zhang, 2011; Yang, 2005). In their book titled *Public Relations as Relationship Management*, Ledingham and Bruning (2000) claimed that organization-public relationship management has emerged as a “paradigm for public relations scholarship and practice” (p. xiii).

Definition of Organization-Public Relationships

Ferguson (1984) first suggested that the study of public relations should develop a focus on the relationships built between the organization and its publics. In this initiative, she described organization-public relationships as external linkage, interaction, contact, or interdependent status (Ferguson, 1984). However, there was little theoretical research on the subject, and a lack of consistent definitions and instruments of measurement until the end of the 20th century. In 1997, considering relationship as the most desired outcome of public relations practice, Broom, Casey, and Ritchey began to call for a definition of organization-public relationship. In
response, Ledingham and Bruning (1998) first defined relationship by linking it with the impact based on interpersonal relationship principles: “the state which exists between an organization and its key publics in which the actions of either entity impact the economic, social, political and/or cultural well-being of the other entity” (p. 62). Huang (1998) defined organization-public relationships considering its relational consequences as “the degree that the organization and its publics trust one another, agree on one has rightful power to influence, experience satisfaction with each other, and commit oneself to one another” (p. 12). Later in 2000, after reviewing definitions of relationships from perspectives of interpersonal communication, psychotherapy, inter-organizational relationships and system theory, Broom, Casey, and Richey (2000) defined organization-public relationships from an exchange perspective, which states:

Organization-public relationships are represented by the patterns of interaction, transaction, exchange, and linkage between an organization and its publics. These relationships have properties that are distinct from the identities, attributes, and perceptions of the individuals and social collectivities in the relationships. Through dynamic in nature, relationships can be described at a single point in time and tracked over time. (p.18)

This definition denoted the role of communication in formulating organization-public relationships and pointed out the dynamic nature of relationships. Hon and J. Grunig (1999) noted that a relationship begins when there are consequences created by an organization which affect publics or when the behavior of publics has consequences on an organization. This interdependence state serves as an antecedent condition for the happening of relationships between the organization and its publics. Building on this notion, Hung (2005) argued that organization-public
relationships “arise when organizations and their strategic publics are interdependent and this interdependence results in consequences to each other that organizations need to manage constantly” (p. 396).

As noted by Ki and Shin (2005), there is no consistent definition of organization-public relationships. However, a historical review of these definitions from various perspectives can reveal the innate nature of organization-public relationships.

**The Nature/Attributes of Organization-Public Relationships**

Huang (1997) noted that interpersonal relationship scholars (e.g., Canary & Spitzberg, 1989; Stafford & Canary, 1991; Canary & Stafford, 1992; Hendrick, 1988) have adopted concepts of “control mutuality, trust, commitment, intimacy, liking, and relationship satisfaction” (p.49), as attributes of relationships. At the organizational level, according to Huang (1997), p.50, scholars (i.e., Aldrich, 1975, 1979) have identified four factors contributing to organizational relationships: 1) Formalization: The extent to which the organizations recognize the relationship and assign intermediaries (such as public relations practitioners) to coordinate the relationship; 2) Intensity: The extent to which organizations commit time and money to the relationship; 3) Reciprocity: The extent to which all organizations devote resources to the relationship and mutually determine how interaction will take place. 4) Standardization: The extent to which interaction becomes fixed.

Ferguson (1984) identified the following aspects in examining organization-public relationships: 1) the degree to which the relationship is dynamic
versus static, open versus closed; 2) the attributions of those who are parties involved in the relationship; 3) the degree to which the organization and publics are satisfied with the relationship; 4) power distribution in the relationship; and 5) the degree to which the parties to the relationship are tightly coupled or loosely coupled (pp. 19-20).

In the similar vein, Huang (1997) concluded six characteristics to describe the nature of organization-public relationships: 1) organization-public relationships can be regarded as relationships between corporate persons or corporate persons and groups of individuals; 2) relationships and conflicts in the relationships are experienced and perceived subjectively; 3) conflicts in organization-public relationships ranged from “entire relationship-damaging” or “entire relationship-enhancing” and are driven by one or multiple motives; 4) the way that communication representatives interact with constituencies influence the organization-public relationship; 5) whether the mass media or the outside audiences are involved could influence the development of organization-public relationships; and 6) resources, either being interpersonal or inter-organizational levels, could be exchanged in organization-public relationships.

In addition, Huang (1997) concluded four relational features of organizational-public relationships as trust, control mutuality, relational commitment, and relational satisfaction.

**Model of Organization-Public Relationship**

According to J. Grunig (2006), organization-public relationships can be experienced as a process and perceived as an outcome. As an on-going dynamic process, organization-public relationships can be managed through continuous
communication and, as an intangible outcome, can be cultivated over time and have reciprocal consequences on both parties (i.e., organizations and publics) in the relationship. Relationship scholars (e.g., Broom et al., 1997; 2000; J. Grunig & Huang, 2000; Hung, 2002) have proposed a model of organization-public relationships which includes antecedents (i.e., perceptions, motives, expectations, needs, and behaviors of each party as contingencies or causes for the formulation of relationships and socioeconomic-political environment), relationship properties/cultivation process (i.e., exchange, transactions or communications happening in the development of relationships), and consequences/outcomes (i.e., the outputs that have the effects on internal and external environmental changing and organizational goal attainment).

**Relationship cultivation strategies**

Hon and J. Grunig (1999) applied Stafford and Canary’s (1991) interpersonal relationship maintenance strategies (i.e., positivity, openness, assurance, networks, and sharing tasks) in the context of organization-public relationships, and added a new dimension of access, making a list of *symmetrical* organization-relationship cultivations strategies which are effective in developing quality relationships (e.g., Hung, 2005; Kim, 2007; Men, 2009; Ni & Wang, 2011; Seltzer & Zhang, 2011; Yang, 2005).

1) *Openness or disclosure*. It shows the willingness of both parties of relationships to engage in direct communication and conversation about thoughts and feelings (Hung, 2006).
2) **Positivity.** This means whatever the organizations or publics do to make the relationship more content and enjoyable. To be positive, parties need to act joyfully, be polite and avoid criticism of the other party (Canary & Stafford, 1991).

3) **Access.** Representatives of organizations and publics provide access to each other, and publics are provided access to organizational decision making process. (Hon & J. Grunig, 1999).

4) **Assurance of legitimacy.** Hon and J. Grunig (1999) pointed out that assurance of legitimacy involves efforts of both party to show that they are committed to maintaining the relationship. Organizations need to legitimize their publics so as to earn the legitimacy from publics (Hung, 2002, 2006).

5) **Networking.** Organizations needs to build networks or coalitions with groups that their publics affiliate with, like environmentalists, community groups, and so forth (Hon & J. Grunig, 1999).

6) **Sharing of tasks.** The organizations collaborate with the publics to solve joint or separate problems concerning either or both of two parties’ interests. For example, organizations perform their responsibilities in managing community issues, providing employments or making profits, and so forth (Hon & J. Grunig, 1999).

Scholars also developed relationship cultivation strategies from conflict management theory (Huang, 1997; Huang & J. Grunig, 2000; Plowman, 1995). Among these strategies, Plowman (1995) identified three symmetrical ones. They are
dual concern strategies which refer to balancing the interests of organizations with those of publics:

1) *Cooperating*. Organizations and publics work together to reconcile their interests and try to reach a mutually beneficial relationship.

2) *Being unconditionally supportive*. Organizations do whatever they think is best for the relationship, even if the publics do not reciprocate or the organizations need to give up some of their positions sometimes.

3) *Saying win-win or no deal*. If organizations and publics cannot find a solution that benefits both sides, they agree not to deal than to make a decision which is not beneficial for both parties.

In supplement to the above list, Rhee (2004) and Kim and Rhee (2006) added several new items as symmetrical relationship cultivation strategies, such as visible leadership, listening, responsiveness, continued dialogue/patience, respects, and face to face communication. As pointed out by many scholars (e.g., J. Grunig, 2006; J. Grunig & Huang, 2000; Hon & J. Grunig, 1999; Hung, 2002, 2006; L. Grunig et al., 2002), the choice of relationship cultivation strategies determines the outcome of relationships. Different from the short-term outputs of public relations programs, organizational-public relationships outcomes have lasting beneficial effects for the organization, and are therefore regarded as a major approach to evaluate the effectiveness of public relations.
Relationship outcomes/indicators of organization-public relationship

Based on previous relationship literature (L. Grunig, J. Grunig & Ehling, 1992), Huang (1997) identified four indicators for organization-public relationships, trust, control mutuality, satisfaction, and commitment, which have been adopted extensively in different contexts and studies (i.e., Brunner, 2000; J. Grunig & Huang, 2000; Hon & Brunner, 2002; Hon & J. Grunig, 1999; Hung, 2002, 2006; Jo, 2006; Ki & Shin, 2005; Ledingham & Bruning, 2000; Yang & J. Grunig, 2005). Later, Hon and J. Grunig (1999) suggested two relationship type indicators based on social psychology literature to evaluate the quality of organization-public relationships: exchange and communal relationships. Hung (2002, 2005) further developed a continuum of types of organization-public relationships which ranged from communal relationships, covenantal relationships, exchange relationships, symbiotic relationships, contractual relationships, manipulative relationships, to exploitive relationships.4 This study focused on the most commonly discussed relationship indicators identified by Hon and J. Grunig (1999) and Huang and J. Grunig (2000) which includes trust, control mutuality, commitment, and satisfaction.

Trust

Trust concerns the willingness and confidence of both parties involved in relationships to open themselves to each other (Hon & J. Grunig, 1999). According to Hung (2006), there are three dimensions in discussing trust: integrity, dependability, and competence. Integrity refers to parties’ sense of fair and justice; dependability

4 Please refer to Hung (2005) for a detail review of each type of organization-public relationship.
means the consistency of words and behaviors of both parties; competence refers to
the ability of parties to perform their duties and obligations. If one party has this
dependability and competence, it means it is “willing and able to do what it says it
will” (Hung, 2006, p. 462).

**Control mutuality**

Control mutuality refers to “the degree to which partners agree about which of
them should decide relationships goals and behavioral routines” (Stafford & Canary,
1991, p. 224). Applied in the public relations context, control mutuality was defined
as “the degree to which parties agree on who has rightful power to influence one
another” (Hon & J. Grunig, 1999, p. 13). According to J. Grunig and Huang (2000),
control mutuality is crucial to stable and quality organization-publics relations even if
power asymmetry is inevitable in relationships.

**Commitment**

Commitment means the desire of both parties to put continuous efforts to
maintain and promote a relationship (J. Grunig & Huang, 2000; Hung, 2002). There
are two dimensions in commitment: continuance commitment and affective
commitment (Meyer & Allen, 1984). Continuance commitment means the
commitment to continue a certain line of action; affective commitment means “the
affective or emotional orientation to an entity” (J. Grunig & Huang, 2000, p. 46).

**Satisfaction**

Satisfaction refers to the degree to which both parties of the relationship are
satisfied with each other. According to Stafford and Canary (1991), from a social
exchange perspective, a satisfying relationship is the one in which “the distribution of rewards is equitable and the relational rewards outweigh the cost” (p. 225). Hung (2006) pointed out that satisfaction is a favorable feeling about the other party which can be nurtured from a positive expectation of relationships.

**The Effects of Organization-Public Relationships**

The value of organization-public relationships has been recognized from the cognitive to the behavioral level. Public relations contributes to organizational effectiveness by identifying strategic publics and developing long-term quality relationships with them (L. Grunig et al., 2002). Dozier (1995) reasoned that, “the purpose and direction of an organization is affected by relationships with key constituents in the organization’s environment” (p. 85). As a strategic resource for the organization, quality organization-public relationships aid the organization in the strategic management process (i.e., strategic analysis, strategy formulation, strategy implementation and strategic control), which in turn, contribute to sustainable competitive advantage and organizational goal attainment (Men, 2009; Men & Hung, 2012). Other scholars have demonstrated connections between organization-public relationships and publics’ positive attitudinal and behavioral outcomes. For example, the reputation of an organization can develop from the type and quality of organization-public it has with its publics. Positive relational outcomes are associated with enhanced organizational reputation (J. Grunig & Hung, 2002; Hutton, Goodman, Alexander, & Genest, 2001; Yang & J. Grunig, 2005). Publics’ favorable perception of relationships with the organization, engenders positive attitudes toward the
organization, and leads to supportive behavior intention (Bruning, 2000, 2002; Bruning & Ledingham, 2000; Bruning & Ralston, 2000; Ki & Hon, 2007, Kim & Chan-Olmsted, 2005; Ledingham, 2001; Ledingham & Bruning, 1998; Peppard, 2000) and even actual behavior (Bruning, 2002; Bruning & Lambe, 2002).

**Organization-Employee Relationship**

From an internal perspective, the current study focuses on organization-employee relationships as one of the major outcomes generated by internal public relations. Among the strategic publics that organizations are facing, employees are no doubt the ones with whom organizations have the closest connection (Men, 2009, 2011). On the one hand, employees are the production force for the organization. Their attitudes, behaviors, and performance directly contribute to productivity, organizational performance, and success. On the other hand, employees are the living faces for the organization. As argued by Haywood (2005), whether or not asked, employees transmit messages regarding company operations to all the audiences upon whom the company depends. Employees with favorable attitudes toward companies are corporate ambassadors, building a company-wide public relations force (Haywood, 2005).

As noted by Jo and Shim (2005), “given the emerging paradigm of public relations by relationship management, the terms of internal communication need to be redefined as part of building favorable relationships between management and employees” (p. 278). Quality relationships that organizations have with their employees not only contribute to organizational performance and achievement of
organizational goals, but also help build and protect organizational reputation and image in a turbulent environment. According to Kim and Rhee (2011), if employees have experienced good long-term relationships with their organization, “they are likely to consider organizational problems as their own, and are thus likely to forward and share supportive information for their organization during the organizational turbulence.” In contrast, if employees have experienced poor relationships with the organization, “they are less empathic to the organizational situation and more likely to disassociate themselves from their working organization. Even worse, they empathize with external active publics who criticize and attack the troubling organization and attribute problematic situations to organizational management” (p.251). This notion reflects Rhee’s (2004) finding that employees who have positive relationships with their organizations help develop positive relationships with the organization’s external publics.

In this dissertation, similar to Men (2011), organization-employee relationship is operationally defined as the degree to which an organization and its employees trust one another, agree on who has the rightful power to influence, experience satisfaction with each other, and commit oneself to the other. This definition includes the relationship indicators (i.e., trust, control mutuality, satisfaction, commitment, communal, and exchange relationship) suggested by Hon and J. Grunig (1999), which have been extensively discussed in relationship management literature.
Organizational Reputation

As previously noted, organizational reputation represents another dominant approach used by communication scholars and professionals to demonstrate the value of public relations. For example, Hutton et al. (2001) stated, “reputation management, if it is to emerge as a significant business function, clearly rests on a foundation of what is traditionally termed ‘public relations’” (p. 248). Likewise, Murray and White (2005) noted that public relations plays a central role in building and protecting organizational reputation. As a focal concept for business management, the concept of reputation has been extensively studied across disciplines, including marketing, management, economics, sociology, and communication. The following reviews different perspectives of definitions of organizational reputation, its nature, drivers, attributes, and effects on organizational outcomes.

Definition of Organizational Reputation

Reputation asks the question of “What do others think about us?” (Brown, Dacin, Pratt, & Whetten, 2006). Depending on different perspectives, reputation has been defined as collective assessment that multiple stakeholders make about the company’s ability to fulfill their expectations (Fombrun, Garberg, & Sever, 2000); stakeholders’ overall evaluation of a company over time based on their direct experiences with the company and any other form of communication (Gotsi & Wilson, 2001); a collective system of subjective beliefs among members of a social group (Bromley, 2002); cognitive representation in the minds of stakeholders about an organization’s past behaviors and related attributes (Coombs, 2000); “observers’
collective judgments of a corporation based on assessments of the financial, social, and environmental impacts attributed to the corporation over time” (Barnett, Jermier, & Lafferty, 2006, p. 34); and the historical relationship between the organization and its public(s) (Stacks & Watson, 2007, p. 69).

Barnett, Jermier, and Lafferty (2006) reviewed 49 different definitions of reputation, and summarized that reputation has three clusters of meaning: a state of awareness, an assessment or evaluation, and an asset. Reputation as a state of awareness centers on reputation being the attention that a stakeholder gives an organization (i.e., stakeholders hold a general awareness but lack judgment about the organization); reputation as an assessment involves judgment and evaluation; and reputation as an asset emphasizes reputation as a value for the organization, which is tightly associated with its consequences. Likewise, J. Grunig and Hung (2002), and Yang (2005) differentiated “experiential” (first-order) from “reputational” (second-order) reputation. According to them, when publics are involved with the organization, they are in experiential relationships and hold an experiential cognitive representation of the company; when publics are not involved in an experiential relationship with the organization, they still hold a reputational cognitive representation of the organization based on hearsay (i.e., what they heard from friends and the media). Such cognitive representation consists of awareness or evaluation of objects, attributes, the connection between them, and behaviors of the organization.
Nature of Organizational Reputation

As thus, there is no consistent definition of reputation in the literature. However, a comprehensive review of all the definitions from a variety of perspectives can reveal the inherent nature of reputation, which is summarized in the following:

1. Reputation is historical and built over time.

2. Reputation is hard to build, keep, or repair a damaged one, but it is easy to lose.

3. Reputation resides in the eyes of internal and external stakeholders or publics. Different stakeholders may perceive the reputation of the same company differently based on their own economic, social, and personal background and experience with the company.

4. Reputation is a collective and overall belief and evaluation about the organization on all aspects from multiple stakeholders.

5. Reputation is determined not only by the actions of an organization, but also the consequences of these actions, such as the relationship qualities with stakeholders (Yang, 2005, p. 84).

6. Driven by multiple organizational factors, reputation is influenced largely by strategic communication of the organization (Gotsi & Wilson, 2001).

Distinction from Other Similar Concepts

The above characteristics of reputation distinguish the term from other similar concepts such as image and identity. However, due to their conceptual similarity, terms of image, identity, and reputation are occasionally used interchangeably. To
avoid confusion, definitions of organizational image and identity and their relationships to reputation are discussed as follows.

**Organizational image**

Bromley (2000) defined organizational image as the way the organization presents itself to its publics, especially virtually. Barnett, Jermier, and Lafferty (2006) argued that image refers to impressions of the firm generated by both internal and external observers and factors such as media coverage. J. Grunig (1993) differentiated image from reputation, stating the following:

Theories of research and research on schemas, therefore, show that the grand designs that many public relations practitioners have for shaping, changing, projecting, and polishing images generally only have incremental effects on the breadth of cognitive processes…Once people accumulate cognitions and attitudes, they continue to store them in long-term memory and associate them when they have reason to think about an organization. A ‘reputation’—if that term is equated with schema—has a long life. (pp. 134–135).

Similarly, Van Riel and Fombrun (2007) defined image as being like a mirror, reflecting the identity of the organization at a point in time, whereas reputation is accumulated cognitions and evaluation.

**Organizational identity**

Bronn (2010), on review of previous literature, discussed organizational identity as “what is central, distinctive, and enduring about an organization” (p. 307), and answered the questions of “Who are we?” and “What are we?” Organizational identity resides in the eyes of all members of the organization. As the “collection of symbols” (e.g., corporate name, logo, advertising slogan, livery, etc.) that
distinguishes an organization’s central features from other organizations (Barnett et al., p. 33), organizational identity helps people find or recognize the organization.

Organizational image, reputation, and identity are closely related to each other. In fact, as noted by Caruana and Chircop (2000), “research on corporate reputation is rooted in earlier work on corporate image, corporate identity and personality…. Corporate reputation emerges from the images held by various publics of an organization” (p. 43). A good organizational identity can help people recall their image of the company, which may include a mental picture or sensory feelings about it. If such images continuously fit with a person’s value about appropriate corporate behaviors, a good company reputation will eventually form (Dowling, 2001).

**Drivers of Organizational Reputation**

Previous reputation studies have identified a list of key factors that drive favorable organizational reputation, including effective two-way communication (Murray & White, 2005; Fombrun et al., 2004), providing good value and quality products and services (Dowling, 2004; Fombrun et al., 2000, 2004; Helm, 2005), effective leadership (e.g., CEO) and management (Dowling, 2004; Fombrun et al., 2000; Helm, 2005; Men, 2011), strong financial performance (Fombrun et al., 2000), workplace environment (i.e., quality people, fair treatment of employees) (Dowling, 2004; Fombrun et al., 2000, 2004), social responsibility and accountability (Fombrun et al., 2000; Helm, 2005), and quality relationships with strategic publics (Yang, 2005; 2007).
A close examination can categorize these factors into three main domains: corporate capabilities, social accountability, and strategic communication. Corporate capabilities, which include aspects of leadership, strategic management, products and services, innovation, and talent retention, lay the foundation for a favorable evaluation of the organization from its publics. Social accountability, which pertains to conducting ethical organizational behaviors and being fair and honest, demonstrates the organization as a good community citizen (Fombrun et al., 2004; Dowling, 2004). Finally, strategic communication is a central plank in building favorable perceptions among stakeholders and protecting reputation (Murray & White, 2005). According to Fombrun et al. (2004), companies rated high on the Harris–Fombrun Reputation Quotient tend to more readily disclose information about themselves and engage stakeholders in direct dialogues compared to less regarded companies. Continuous communication efforts can improve the organization’s media and market presence, which is a prerequisite for reputation. Moreover, communication that is done in a symmetrical, transparent, and authentic way can increase the chance that an organization is perceived as genuine and credible (Stacks, 2011).

Communication Attributes of Organizational Reputation

Public relations scholars have previously attempted to examine the roles of communication in building organizational reputation. Kim, Bache, and Clelland (2007) described two communication approaches to reputation building: a symbolic management approach and a behavioral management approach. Symbolically, organizations use communication to generate positive impressions from certain target
groups. Through emphasis on media visibility and favorability, organizations can increase public awareness about the company and project a positive image.

Behaviorally, organizations align their actions with the messages being sent through public relations activities. Behavior can be a code of conduct, philanthropy, and so on. By passing out the messages (e.g., to employees: “We are a good, safe place to work”; to customers: “We stand behind our products and services”; to society: “We are a good corporate citizen”; to investors: “Our reports and forecasts are reliable”; to government: “We make economic and social contributions”), and aligning behaviors with these messages, the organization can gradually build up a good reputation (Bronn, 2010). Van Riel and Fombrun (2007) identified six attributes of a good reputation, which suggest the critical role of communication in successful reputation management. These attributes are visibility, distinctiveness, authenticity, transparency, consistency, and responsiveness.

*Visibility* refers to the public prominence and market prominence of the company. Public prominence may come from high street exposure (e.g., locations, physical stores), a strong national heritage, or strong media presence. Market presence may come from a powerful brand portfolio or a highly publicized corporate citizenship behavior, or being listed on a public stock exchange. Although the downside of being visible is the vulnerability to criticism, without visibility, there can be no reputation (Fombrun & van Riel, 2004). Thus, companies should communicate with stakeholders of all stripes to make them known, and carry out visible worthy social initiatives.
Distinctiveness means the organization needs to distinguish itself from its competitors, and position itself as a unique character. This concept is expressed through communications, such as mission statements, slogans, logos, corporate stories, and so on. Distinctiveness pertains more to communications at the messaging level, for example, whether a corporate slogan is stakeholder-relevant, realistic, memorable, and distinctive, or whether a mission statement is inspiring (Fombrun & van Riel, 2004; van Riel & Fombrun, 2007).

Authenticity, one of the most important drivers of reputation (Bronn, 2010), is concerned with how organizations demonstrate that no gaps exist between who they are, what they say they are, and what they do. Authenticity also involves internal and external communication to promote stakeholder identification (Fombrun & van Riel, 2004). A real, genuine, reliable, and trustworthy image can result from consistency in the organization’s actions and their communications to all stakeholders.

Transparency is characterized by organizations disseminating truthful, accurate, timely, balanced, and substantial information, and allowing stakeholders access to information that helps them make an accurate assessment of the organization regarding either its current operation or future prospects (van Riel et al., 2007; Rawlins, 2009). Previous studies, as noted by Fombrun and van Riel (2004), found that the more transparent a company is, the more likely stakeholders are to reply to their disclosures and to have faith in the company’s prospects. Transparency is both a management and communication attribute. As a communication attribute, transparency will be further discussed later in the internal communication section.
However, one should note that transparency is becoming increasingly important in maintaining reputation, especially “with ever more demanding stakeholders and an intrusive institutional environment made up of regulators, legislators, politicians, lobbyists, and activists” (Fombrun & van Riel, 2004, p. 215).

*Consistency* means organizations express themselves consistently and coherently in both words and deeds across all stakeholder groups. This attribute requires that a shared identity is developed through continuous dialogues with stakeholders, and all communication initiatives, including marketing messages, public relations messages, and messages sent internally are harmonious with and reflect the shared identity. In other words, a shared identity guides consistent behavior and consistent communication.

*Responsiveness* means organizations adjust their attitudes and behavior based on feedback from the environment. This attribute is realized through two-way dialogic communication, where organizations conduct research to listen to what the publics want or need, and respond to their needs. Being responsive reflects the essence of symmetrical communication (J. Grunig, 1992, which will be discussed in detail later) that organizations are willing to listen to the public, are open to feedback, and address publics’ interests in their communication and behavior. The six attributes of reputation are also discussed as communication principles for reputation management (e.g., Bronn, 2010).
Effects of Organizational Reputation

Given its distinctive nature, reputation has been widely recognized as a valuable intangible asset for companies that can generate lasting competitive advantage (Fombrun & van Riel, 2004; L. Grunig et al., 2002). A number of studies have examined the expected benefits of a favorable reputation, such as improved financial performance, better employee recruitment, ability to charge premium, increased sales force effectiveness, and positive word-of-mouth intentions (e.g., Hong & Yang, 2010; Roberts & Dowling, 2002). Likewise, Fombrun and van Riel (2004) explained the significance of reputation by arguing that a good corporate reputation can enhance profitability because it attracts customers to the company’s products, investors to new investment, and media professionals to favorable press coverage. Although more empirical evidence is needed, existing literature suggests the importance of organizational reputation in generating supportive public behaviors.

Perceived Organizational Reputation by Employees

Reputation resides in the eyes of external and internal publics. The current study examines internal reputation, defined as the employees’ overall evaluation of the organization based on their direct experiences with the company and all forms of communication.

As noted by Grady (2010) and Men (2011a, 2011b), the importance of employees as communication assets should never be overemphasized, especially in today’s new media landscape. With the aid of social media, employees are increasingly empowered to communicate with others and initiate dialogues in the
public domain. How the employees perceive the organization determines what they say publicly, and their opinions consequently become the basis for how other stakeholders and stockholders perceive the organizational reputation, because what employees say about the organization is often perceived to be more credible and authentic than messages from senior management or the public relations team (Kim & Rhee, 2011). For example, if employees think positively about their company instead of posting about their jerk of a boss on Facebook, they may post their successes at work and all the wonderful new things happening. In addition, the family and friends of employees can also serve as third-party endorsers for the organization (Stacks, 2010). Therefore, the contribution employees can make to enhance corporate reputation is considerable and often at no cost (Haywood, 2005).

Furthermore, good reputation in the eyes of employees reinforces employee identification with the mission, vision, values, beliefs, and objectives of the company and fuel employee loyalty, motivation, and engagement, which in turn, generate superior work performance and contribute to organizational effectiveness (Fombrun & Van Riel, 2004).

Public Engagement

The concept of public engagement is not new. Public engagement has been popularly used in the past decade in other fields, such as marketing, management, sociology, public administration, media studies, and so on. For example, to better understand consumers in an increasingly complicated commercial world, marketing professionals transform their marketing emphasis from a linear persuasive model to
the “co-creation” of customer experiences, which is to engage consumers/customers (Kang, 2010). Public administrators try to engage communities in sociopolitical matters (Taylor, Vasquez, & Doorley, 2003), and propose public engagement as a new approach to win public support for new policy initiatives (Yankelovich & Immerwahr, 1993). In the organizational and business context, employee engagement has become a widely used and popular term in practitioner journals and consultancy firms, referring to employees’ intellectual and emotional bond to the organization (Grates, 2011). With the development of new media technology, how to use those new tools for engaging on-line net savvies is also an increasingly hot topic under discussion.

In public relations, Richard Edelman called for a paradigm shift from public relations to public engagement in 2008, given the new media trend and the increasingly connected and empowered publics. Most recently, in August 2011, Alan VandercomMolen, president and CEO of Global Practices and Diversified Insights Businesses at Edelman, further elaborated public engagement in a keynote speech in St. Louis. He proposed five trends of evolvement in public relations pertaining to engagement, namely, from push to pull, from promoting to informing, from control to credibility, from campaigns to continuing conversations, and from influencing to establishing a community of influencers.

Despite such a strong presence in academic and professional literature in various fields, the concept of engagement has suffered from a lack of clear definitions and measurement. Before moving to the next stage of identifying possible drivers of engagement, its association with strategic communication, and outcomes of
engagement, it is important for public relations scholars to theoretically examine the concept. The current study proposes public engagement as a new outcome for public relations from an internal communication perspective. To that end, the study first reviews the current literature across disciplines to provide a comprehensive understanding of engagement.

**Definition of Engagement**

According to Dictionary.com (2011), to “engage” as a verb means to occupy the attention or efforts of a person, to attract or hold fast, or to please. Engage also carries the meaning of *behavioral* dimensions, such as getting involved in discussions, participations, or activities (Kang, 2010). Engagement can be defined as both a process and an outcome.

According to Yankelovich and Immerwahr (1993), public engagement is a complex *process* of debate, discussion, and interaction between publics and organizations. Engaging the public is more difficult than selling or information sharing, because “it demands more time and energy from organization leaders, and greater sensitivity to the nuances of the public’s thinking” (p. 3). In the public administration literature, public engagement has been defined to incorporate three components: public information, public consultation, and public participation (Rowe & Frewer, 2010). In terms of *public information*, messages are conveyed from the organization to its publics without feedback. In *public consultation*, information flows from members of the public to the organization, initiated by the organization. This process aims to seek true understanding of the publics. In *public participation*,
information is exchanged between members of the public and the organizations, which is a dialogic and interactive process. Public engagement thereby features two-way, dialogic communication. Public engagement emphasizes listening, dialogue, feedback, and mutual understanding. In addition, the public participation component of engagement is characterized by the practice of involving members of the public in the agenda-setting, decision-making, policy-forming, and other activities of organizations (Rowe & Frewer, 2010).

As an outcome, engagement was first defined by ethnographic researcher Kahn (1990) as “the harnessing of organizational members’ selves to their work roles” (p. 694). Rothbard (2001) defined engagement as psychological presence which involves components of attention, “cognitive availability and the amount of time one spends thinking about a role,” and absorption, “being engrossed in a role and…to the intensity of one’s focus on a role” (p. 656). Engagement is characterized by energy, involvement, efficacy, vigor, dedication, and a positive state, as opposed to cynicism and inefficacy (Saks & Rotman, 2006). Beyond the psychological aspect, Haven (2007), cited in Kang (2010), defined engagement as “the level of involvement, interaction, intimacy, and influence an individual has with a brand over time…a person’s participation with a brand, regardless of channel, where they call the shots” (p. 5). Similarly, Macey and Schneider (2008) defined public engagement to include three levels: trait engagement (dispositions, cognition), physiological state engagement (affection, emotions), and behavioral engagement (behaviors). Literature across disciplines shows a lack of congruence in defining public engagement. What is
common to these definitions is the active use of cognitions, emotions, and behaviors in engagement. Building on existing conceptualizations of engagement in other disciplines, Kang (2010) defined public engagement from a public relations perspective as “a psychologically motivated state that is characterized by affective commitment, positive affectivity and empowerment that individual public experiences in interactions with an organization over time that result in motivated behavioral outcomes” (p.11).

The current study agrees with Kang that public engagement is a positive and active psychological state that is behavior-oriented and pertains to feeling of control, but it is believed there is a conceptual difference between organizational commitment and public engagement. Similar notions also were made by Robinson et al. (2004) that “neither commitment nor OCB reflect sufficiently two aspects of engagement—its two-way nature, and the extent to which engaged employees are expected to have an element of business awareness” (p.8). Organizational commitment reflects the publics’ attitudes and attachment to the organization; but, engagement is not an attitude; engagement is the level of being attentive and absorbed in performing their roles (Saks & Rotman, 2006). Likewise, engagement is distinct from involvement. As suggested by May et al. (2004), the difference between engagement and involvement is that “engagement may be thought of as an antecedent to job involvement in that individuals who experience deep engagement in their roles should come to identify with their jobs” (p. 12). Therefore, engagement is positioned in the mid-way between attitudes toward the organization (i.e., trust, satisfaction, and
commitment) and positive and supportive behaviors, such as involvement, organizational citizenship behavior, and supportive employee communication behavior (Kim & Rhee, 2011).

In the current study, public engagement is examined as an outcome of public relations. Two dimensions of engagement defined by Kang (2010) in the context of public relations, which include the publics’ positive affectivity (attention, absorption, and energy) and empowerment (a sense of competence/self-efficacy, authorization, and impact), are adopted.

**Employee Engagement**

From an internal communication perspective, public engagement falls within the notion of employee engagement. Employee engagement in the current study is defined as the employees’ level of *positive affectivity*, characterized by attention, absorption, dedication, participation, vigor, enthusiasm, excitement, and pride when occupying and performing an organizational role; and the *level of physiological empowerment*, characterized by employees’ sense of competence/self-efficacy, control, autonomy, meaningfulness, and impact. The aspect of positive affectivity echoes existing definitions of employee engagement, thus representing a central component of the engagement construct (Kang, 2010). Employee empowerment has been extensively examined in the management and leadership arena as a leadership behavior and related outcome in terms of power delegation and sharing of decision-making control. In the present study, similar to Kang (2010), employee empowerment is defined as employees’ perceived capability to exert a certain level of
control over situations and environment in the organization, which is a fulfillment of “innate psychological needs such as competence, autonomy, and relatedness” as part of engagement (Kang, 2010, p. 16).

Saks and Rotman (2006) lent the explanation of engagement to the social exchange theory (SET). Social exchange theory argues that obligations are generated through interactions between parties who are reciprocally interdependent. Rules of exchange involve repayment or reciprocity, such that the actions of one party lead to a response by the other. For example, employees who receive economic and socio-emotional resources (e.g., good relationship) from organizations feel obliged to respond in kind. Consequently, employees devote different levels of cognitions, emotions, and involvement and engage to different extent in the organization based on how they feel toward the organization and how they are treated (Saks & Rotman, 2006).

Effects and Drivers of Employee Engagement

Research has demonstrated that employee engagement leads to various organizational outcomes, such as organizational growth, profits, and productivity (Harter, Schmidt, & Hayes, 2002), organizational citizenship behavior, intelligence retention, and customer satisfaction (Kahn, 1990; May et al., 2004; Saks & Rotman, 2006). When employees are engaged, they advocate the organization to coworkers. They are willing to give extra time, effort, and initiative to contribute to the success of the organization, and they have an intense desire to be a member of the organization.

Focusing on measuring employee engagement, the Gallup Organization conducted
numerous engagement studies in various organizations, and estimated that disengaged employees cost U.S. companies $250 to $350 billion a year (Rath & Conchie, 2009).

Recognizing the importance of employee engagement in achieving business success, academics and professionals have devoted years of efforts to identify engagement drivers. Some of the factors that have been proposed by professionals include leadership, communication, supervisor relationship, and work environment (Ketchum, 2010). As Parsley (2006) pointed out, “effective communications create engaged employees, creating loyal customers, who in turn create bigger profits” (p. 10). He also noted that managing organizational reputation is critical for employee engagement, because if the world believes the organization is a poor corporate citizen, employees will hear this, which will increasingly distance them from the business.

Attridge (2009) contended that job design, resource support, working conditions, corporate culture, and leadership style are critical organization-level prevention tools for engaging employees. He added that jobs and tasks can be designed in a way that matches the strength and talents of employees, causing a person-environment fit, which in turn, leads to engagement. Perceived organizational support in terms of providing resources can buffer the negative effects of stressful job demands and even poor working conditions, thus increasing engagement level. Working conditions, including workload, level of decision-making empowerment, and peer relationships, are among the most important items driving engagement. An engaging organizational culture characterized by community-building efforts can provide a hospitable environment for employee engagement. Finally, leadership style
and support, including leadership attributes such as being authentic and showing emotional competence to others, are critical in engaging employees in the organization (Attridge, 2009). However, he fell short in providing empirical evidence for his arguments.

Empirically, Saks and Rotman (2006) found that job characteristics and organizational support are antecedent factors that predict employee engagement. Baldev and Anupama (2010) found that situational factors such as communication, management, career opportunity, and job content are critical determinants of employee engagement. From an internal communication perspective, Men (2011b) examined the linkage between strategic leadership, specifically CEO credibility, employee perception of organizational reputation, and employee engagement. Her results showed that when employees perceive the CEO to be credible, they tend to evaluate the organization more favorably and become more engaged. Furthermore, employee perception of organizational reputation fully mediates the effect of leadership credibility on employee engagement.

**Organization-Employee Relationship, Perceived Organizational Reputation, and Employee Engagement**

Existing literature suggests that organization-public relationships, perceived organizational reputation and public engagement, when examined independently, are all direct outcomes of public relations efforts. However, in reality, relationship, reputation and engagement are often closely related to one another. An integrated approach would be more realistic to demonstrate the value of public relations.
In particular, public relations scholars (e.g., Coombs, 2000; Coombs & Holladay, L. Grunig et al., 2002; Yang, 2005, 2007; Yang & J. Grunig, 2005) have demonstrated the positive influence of organization-public relationship on organizational reputation. According to Coombs and Holladay (2001), a negative relationship history produces a negative effect on organizational reputation and crisis responsibility. Yang and J. Grunig (2005) also found a strong and positive effect of relational outcomes on organizational reputation, as well as the overall evaluation of organizational performance. Similarly, the present study predicts that when employees are in a stable and good relationship with the organization, they tend to evaluate organizational reputation more favorably. Organizational reputation has been argued to be a critical factor for employee engagement (Parsley, 2006). The notion was empirically evidenced by Men (2011b), who found that employees who have a more favorable evaluation of organizational reputation are more likely to reciprocate with a greater level of engagement in the organization. In addition, Kang (2010) found that when publics demonstrate higher trust and satisfaction level to the organization, they tend to engage more. Similarly, the current study hypothesizes a direct influence of organization-employee relationship on employee engagement. When employees trust the organization, feel satisfied, committed, and agree on mutual control, they feel empowered and are more willing to engage and participate.

Hence, the following hypotheses are proposed:

**H1:** Organization-employee relationship positively influences employee perception of organizational reputation.
**H2:** Employee perception of organizational reputation positively influences employee engagement.

**H3:** Organization-employee relationship positively influences employee engagement.

**Characteristics of Excellent Public Relations**

The previous section discussed the three predominant approaches in the professional and academic literature to evaluate public relations effectiveness and proposed an integrated approach. Then, how to achieve public relations effectiveness? How to develop quality relationship, favorable perceived organizational reputation, and improve the level of public engagement? The Excellence study has concluded 14 factors from three levels (i.e., program, departmental, and organizational) that characterize best practices of public relations (J. Grunig et al., 2002). These characteristics were distilled through both quantitative and qualitative research, and have been applied across cultural boundaries as generic principles to achieve public relations effectiveness.

**Program Level**

1. *Managed strategically.* The planning of individual communication programs, such as media relations, community relations, and employee relations, should have a strategic origin, be based on research and environmental scanning, and have measurable goals and objectives that are connected with organizational goals.
Departmental/Functional Level

2. Integrated communication function. An excellent public relations function integrates all public relations programs into one single department, or provides a mechanism for coordinating programs managed by different departments.

3. Separate function. Public relations should be a separate management function in the organization, so that it will not be encroached by marketing or legal departments into its roles and responsibilities of communication management (Bowen et al., 2010).

4. Head of public relations unit in the managerial role rather than technician role. A manager’s role includes but not limited to diagnosing communication problems and providing consultancy to top management, facilitating communication and problem solving, engaging in issue management, resolving ethical dilemmas, and leadership and decision making. A technician’s role is mainly about writing (e.g., news releases, speeches, and so forth) and producing publications.

5. Public relations managers or others in the unit having the potential for excellent public relations. This includes possessing the knowledge to manage public relations strategically, professional expertise, and solid academic training in the public relations field.

6. Two-way symmetrical model. Public relations managers should possess symmetrical communication knowledge, and develop communication
programs that promote mutual understanding, dialogues, and collaboration between the organization and publics.

7. *Diversity in public relations.* Excellent public relations departments provide equal opportunities to men and women, and people with different ethnic backgrounds in all roles of the function, so that decision making and communications will be inclusive of varying viewpoints.

**Organizational Level**

8. *Involvement of public relations in strategic management.* The involvement of public relations managers in the strategic management process of the organization allows for more inclusive decision making and better organizational policy from the perspective of publics, because as boundary spanners, public relations managers can pass along the voice and concerns of publics to top management.

9. *Access to the dominant coalition.* The senior public relations executive should be a member of the dominant coalition of the organization, or have a direct reporting relationship with members of the dominant coalition. (Bowen *et al.*, 2010).

10. *Symmetrical worldview.* Two-way symmetrical communication is not only a communication strategy that features excellent public relations practice, but also a worldview that an organization should adopt when dealing with various strategic publics in daily operations and decision making.
11. *A participative rather than authoritarian organizational culture.* In a participative culture, management is open to ideas from both internal and external environment. Employees have a chance to participate in the organizational decision-making process. A participative culture provides a conducive and supportive environment for communication excellence.

12. *An organic rather than mechanical organizational structure.* An organic organizational structure is decentralized, less formalized, and less stratified, and facilitates employee participation in organizational decision making.

13. *A symmetrical system of internal communication.* The dialogue-based symmetrical internal communication emphasizes trust, reciprocity, employee feedback, and relationship. This system is characterized by horizontal communication, caring about employees’ needs, and tolerance for disagreement (J. Grunig, 1992).

14. *A turbulent, complex environment; activism.* A turbulent environment with pressure from activist groups stimulates organizations to develop an excellent public relations function.

Among the 14 characteristics concluded from the Excellence study, characteristics 11 to 14 represent internal and external contextual factors that not only provide a hospitable environment to nurture an excellent public relations function, but also contribute to internal communication effectiveness (L. Grunig *et al.*, 2002; Men, 2011a, 2011b). The present study represents an extensive effort of the Excellence
study to examine effective leadership as an additional contextual characteristic of excellence in *internal public relations (internal communication)*.

The following sections first review current literature on internal communication with an emphasis on symmetrical and transparent communication strategies, and then conceptualize leadership style, followed by a discussion on how leadership influences internal communication and outcomes.

**Internal Communication**

Internal communication, sometimes called employee communication, or internal public relations (Kennan & Hazleton, 2006; Kreps, 1989), as a subarea of public relations, has been recognized as the foundation for modern organizations, which helps achieve positive relations with external publics (Cutlip, Center, & Broom, 2005). According to Deetz (2001), internal communication is a way to describe and explain organizations. Internal communication is a central process in which employees share information, create relationships, make meanings, and construct organizational culture and values (Berger, 2008). Berger (2008) asserted that internal communication is one of the most dominant and important activities in organizations, because it “helps individuals and groups coordinate activities to achieve goals, and it’s vital in socialization, decision-making, problem-solving and change-management processes” (p. 2).

In addition, a growing body of evidence has demonstrated that effective internal communication plays a vital role in developing positive employee attitudes, such as job satisfaction (Gray & Laidlaw, 2004), identification with the organization
(Smidts, Pruyn, & van Riel, 2001), trust, organizational commitment (Jo & Shim, 2005), positive organization-employee relationship, and favorable employee communication behavior (Kim & Rhe, 2011). These attitudes, in turn, lead to higher productivity, improved performance, organizational learning (Berger, 2008), and better external relations. According to White et al. (2010), employees can be the best ambassadors, depending on whether and how they get information. To expand the body of knowledge on effective internal communication, the current study investigates how organizational leadership influences internal communication practice and outcomes, which is represented by organization-employee relationship, perceived organizational reputation, and employee engagement.

**Components of Internal Communication System**

According to Whitworth (2011), internal communication systems have three fundamental blocks: hierarchical communication, mass media communication, and social networks. Hierarchical communication is represented by top-down or bottom-up communication among the successive layers of executives, managers, supervisors, and non-management employees. Managers at different levels play an important role in pushing or cascading the messages until they reach every employee, and pass along the voices of the employees to top management. Studies have consistently suggested that immediate supervisors are employees’ preferred source of information, and have more credibility with employees compared to senior executives (e.g., Larkin & Larkin, 1994; Whitworth, 2011). However, since managers vary in their communication abilities and skills, and their willingness to share information
with followers, companies do not rely solely on managers and senior leaders to communicate with their workforce. A second major component of internal communication is the use of mass media, such as newsletters, magazines, bulletin boards, intranet, TV, webcast, e-mail, and social media targeted at employee audiences. Such communication programs often start from the communication department, and provide more control over the timing of messages and the consistency of the wording (Whitworth, 2011).

A third major component of internal communication is informal networks. According to Berger (2008), a network represents how information flows in an organization. In a formal communication network, messages travel from official pathways (e.g., e-mail, newsletter, and so on) that reflect the organization’s hierarchy (i.e., from organization to employees), whereas messages flow horizontally, and often through interpersonal communication among employees (i.e., from employees to employees), in an informal communication network. Employees give, take, share, and exchange information they receive from managers and read in newsletters and other channels. Although such information may be inaccurate at times, employees often perceive them to be more authentic than formal communication (Berger, 2008).

The current study focuses mainly on formal communications (i.e., hierarchical and mass media communication) because they are the fundamentals of internal communication, and may be controlled and managed by communication professionals with the expertise and knowledge.
Web 2.0: Evolvement of Internal Communication Channels

McLuhan (1964) pointed out that “the medium is the message.” The selection of optimal communication channels is important to communication professionals because each medium engages audiences in different ways, and affects the scale and pace of communication. To date, various communication channels have been utilized by companies and managers to communicate with employees. These channels range from traditional print publications (e.g., newsletter, magazines, posters), phone calls, voicemails, and face-to-face communication, to Web 2.0 tools, such as intranet, blog, instant messenger, and internal social networking sites (Crescenzo, 2011).

According to Daft and Lengel’s (1984) media richness model, face-to-face communication is the richest medium and optimal channel for communicating complex information, because it allows nonverbal communication and immediate feedback. Empirical studies have also found that employees prefer interpersonal face-to-face communication with management over mediated communication, such as e-mail (Cameron & McCollum, 1993; White et al., 2010). Simple announcements, annual reports, and posters are lean and impersonal forms of media channels; e-mail and phone calls fall in the middle area of the media richness continuum (Daft & Lengel, 1984). Although e-mail is preferred by some employees because it is highly convenient for both sender and receiver, it lacks information richness and falls short in conveying complicated or delicate information to influence or persuade (White et al., 2010).
The coming of the Web 2.0 era fundamentally changed the landscape of communication, as well as companies’ internal communication formula. Tools, such as blogs, bulletin boards, and internal social networking sites that are social, interactive, and communicative by nature, have been increasingly used by companies for more two-way communication, community building, employee engagement, and employee conversation with both peers and leaders. Multimedia channels are used to educate, inform, and entertain internal audiences (Crescenzo, 2011). The boundaries between communication hierarchies are blurred because everyone can participate and share opinions, ideas, and knowledge on corporate internal social media sites. Passive message recipients could become participants in the communication process. Stein (2006) found a high correlation between communication and the community-building process. Social media technology undoubtedly facilitates an organization’s community building and engagement, as evidenced by Whitworth’s (2011) example of IBM’s Blue Pages.\(^5\)

In view of the previous discussion, the following research question is asked:

**RQ1:** What communication channels are preferred by employees to receive information from the company and from their managers?

**Strategic Internal Communication Strategies**

In a Web 2.0 world, employees and the public are empowered to voice their opinions. They now have a louder voice and play a more vital role in shaping the external publics’ perception of the organization. The evolvement of new media

\(^5\) IBM’s Blue Pages is an internal phone directory where employees control most of the content beyond the basic information. Employees can upload photos, tag themselves to highlight skills or professional experiences, and form communities around common interests (Whitworth, 2010).
technology pushes the pivot point of power toward the employees. Meanwhile, various new media tools facilitate the organization’s implementation of effective communication strategies, such as symmetrical and transparent communication.

**Symmetrical communication**

According to J. Grunig (2006), the idea of symmetrical communication was stimulated by Carter (1965) and Chaffee and McLeod’s (1968) conceptualization of co-orientation, which represents a movement away from research on how to develop messages to change a person’s attitudes. Instead, co-orientation emphasizes how two people or two levels of a system are jointly oriented to each other. Similarly, the basic idea of a symmetrical model is how individuals, organizations, and the publics use communication to adjust their ideas and behaviors, rather than try to control or manipulate how the other party thinks or behaves.

J. Grunig (1984) proposed four general models of public relations: press agentry/publicity, public information, two-way asymmetrical, and two-way symmetrical. In the press agentry and public information models, communication is one-way. This kind of information dissemination is favorable for organizations. The difference lies in the fact that press agentry seeks attention for the organization in almost every possible way, even by telling lies or exaggerating the truth, whereas public information is more fair and accurate. Both two-way asymmetrical and symmetrical models emphasize conducting research to know about and listen to the publics. Their difference lies in the orientation. Asymmetrical communication is used to persuade the publics to change their attitude and make them behave in a way that
organizations wish, whereas symmetrical communication is characterized by the willingness of an organization to respond to the concerns and interests of publics. Although all four models may be practiced by organizations under contingent conditions, research to date has shown that the two-way symmetrical model is the most effective and ethical (J. Grunig & L. Grunig, 1992).

In a later reflection of Grunig’s four models of public relations, L. Grunig et al. (2002) aligned Murphy’s (1991) description of a mixed-motive model, and suggested that the interests of both sides are highlighted and respected in a two-way symmetrical model. The key idea of symmetry is to achieve a win-win solution by having dialogues and balancing the interests of both organization and the publics.

**Symmetrical internal communication**

In the internal communication setting, symmetrical communication is defined as a communication *worldview* that characterized by its emphasis on “…trust, credibility, openness, relationships, reciprocity, network symmetry, horizontal communication, feedback, adequacy of information, employee-centered style, tolerance for disagreement, and negotiation” (J. Grunig, 1992, p. 558). It is two-way by nature and aims to build dialogues between the organization and its employees. Asymmetrical communication, by contrast, takes the one-way, top-down approach. It is designed to persuade or control employee behaviors in ways that management wants. Asymmetrical communication is often associated with a centralized and mechanic organizational structure and authoritarian culture, where employees have little chance to offer input in the organizational decision-making process.
According to J. Grunig (1992), face-to-face communication, the richest medium that allows for immediate feedback, can facilitate symmetrical communication. Traditional mediated forms of communication, such as newsletters, posters, annual reports, and magazines, are mostly one-way. However, they may also be symmetrical if their content meets the employee’s need to know rather than management’s need to tell.

Numerous studies have demonstrated the positive associations of internal symmetrical communication and employee outcomes, such as job satisfaction, identification, loyalty, organization-employee relationship, and employee communication behavior (e.g., L. Grunig et al., 2002; Jo & Shim, 2005; Kim & Rhee, 2011; Smidts, Pruyn, & van Riel, 2001). Similarly, the present study posits that when the organization’s communication system is open, two-way, responsive, invites feedback, addresses employee voices and concerns, and boosts mutual understanding, collaboration, and dialogues, employees feel they have a better relationship with the organization, evaluate the organization more favorably, and feel more engaged.

**H4:** Symmetrical internal communication is positively associated with organization-employee relationship (H4a), employee perception of organizational reputation (H4b), and employee engagement (H4c).

**Transparent communication**

Transparency, as a vital concept and necessity for Western democracies, has recently attracted increasing academic attention from various fields, such as accounting, economics, management studies, journalism, political science, and public
relations (e.g., Allen, 2008; Best, 2007; Berggren & Bernshteyn, 2007; Drew, 2004; Rawlins, 2008, 2009; Wehmeier & Raaz, 2010). In the public relations domain, transparent communication has vaulted to prominence in recent years as a process that generates trust and credibility, particularly due to “the exposure of deceptive practices that took place behind the doors” (Rawlins, 2009, p. 71). Additionally, “advances in technology have…created a world where transparency is a given” (p. 72). Although new technology tools, such as social media, provide an organization with an innovative means to share information and remain open with the public, they also escalate the publics’ expectation of organizational transparency.

However, despite the growing interest in the value of transparency among communication professionals, the concept of organizational transparency has not been fully examined theoretically and empirically by public relations scholars. According to Balkin (1999) and Rawlins (2009), by definition, transparency includes three analytically distinct aspects: substantial information, participation, and accountability that require communication efforts. First, the informational aspect (i.e., disclosure) requires organizations to “make available publicly all legally releasable information—whether positive or negative in nature in a manner which is accurate, timely, balanced, and unequivocal” (Heise, 1985, p. 209, cited in Rawlins, 2009). In this communication process, organizations try to make their actions and decisions understandable to all the parties or stakeholders interested. The purpose of this communication process is not merely to increase information flow, but also improve understanding. In addition, information disclosed should meet the requirements of
truthfulness and substantial completeness. According to Rawlins, substantial completeness is concerned with the needs of the receiver, rather than those of the sender. Therefore, “the key to obtaining substantial completeness is knowing what your audiences need to know” (p.74)

Second, the participation aspect of transparency refers to stakeholder involvement in identifying the information needed for decision making. As argued by Rawlins, transparency needs to be measured from the stakeholder perspective. Organizations need to incorporate the stakeholders’ voices to determine what information they really need, how much information they need, how well the organization is fulfilling their information need, and how transparent the organization is (Rawlins, 2009). Organizations can find it difficult to be transparent without inviting the participation of stakeholders.

Third, transparency also concerns accountability. To be transparent, an organization needs to be accountable for their words, actions, and decisions, which are normally readily seen and judged by its publics. Disclosing substantial information may expose the organization’s problems or weaknesses. Hiding or denying them will not make them go away (Rawlins, 2009). Instead, being accountable and open to criticisms, and admitting the problem pave the way for further improvement, and enhance the ethical nature of the organization.

Rawlins (2008, 2009) conceptualized organizational transparency as both a reputation trait (i.e., integrity, respect, and openness) and a communication process (i.e., participation, substantial information, accountability). Similarly, van Riel and
Fombrun (2007) also discussed transparency as a critical communication attribute in building favorable organizational reputation. In the current study, transparent communication is proposed as an excellent characteristic of internal communication. Transparent communication is, therefore, defined as an organization’s communication to make available all legally releasable information to employees whether positive or negative in nature—in a manner that is accurate, timely, balanced, and unequivocal, for the purpose of enhancing the reasoning ability of employees, and holding organizations accountable for their actions, policies, and practices.

**Transparent communication and employee outcomes**

Organizational transparency through every aspect of corporate communication is critical to building and restoring trust (Rawlins, 2008, 2009). Through a survey of employees in a health care organization, Rawlins (2008) demonstrated strong empirical evidence that transparent communication is positively associated with employee trust in the organization. Jahansoozi (2006) also argued that organizational transparency is a relational condition that promotes accountability, collaboration, cooperation, and commitment. As discussed previously, transparent organizations disclose truthful, accurate, timely, balanced, and substantial information, and invite employee participation in identifying the information they need and how much information they want, which escalate the employees’ role in the decision-making process. Thus, such informational and participatory transparency is predicted to lead to employee satisfaction and feelings of shared control, which constitute a quality organization-employee relationship.
Fombrun and van Riel (2004) argued that the more transparent a company is perceived, the more likely stakeholders are to rely on their disclosures and have confidence in the company’s prospect. Organizational transparency, in terms of accountability, demonstrates a company’s competence, ethical virtues, and social responsibility, which may shape the stakeholders’ (including employees) positive evaluation of the organization. Additionally, transparent communication has been discussed by communication professionals as a critical factor in engaging employees. For example, Linhart (2011) stated that “Transparency is foundational for building this engagement, pride, and trust…” because “…employees need to feel a sense of ownership in the success of the organization, including how they contribute to it and what’s in it for them.”

Therefore, the present study proposed transparent communication to be a positive determinant for employee outcomes. Therefore,

**H5:** Transparent communication is positively associated with organization-employee relationship (H5a), employee perception of organizational reputation (H5b), and employee engagement (H5c).

**Relationship between symmetrical and transparent communication**

Although there is little empirical evidence, symmetrical and transparent communication has been suggested to be associated with each other by previous scholars. For example, Jahansoozi (2006) related transparency to collaboration and cooperation, the key forms of the mixed-motive symmetrical communication. Christensen and Langer (2009) realized communication symmetry to be a critical
condition for true transparency, noting that “… without symmetry, transparency breeds power imbalance that potentially reduces collaboration and trust” (p. 131). Rawlins (2009) also suggested that the concept of transparency is clearly connected to openness and balance of control (power) which is the tenet of symmetrical communication. The current study holds that symmetrical internal communication is a worldview that emphasizes two-way information flow, understanding, responsiveness to employees’ needs and concern, and tolerance to different voices. It promotes organizational transparent communication behaviors of inviting participation, providing substantial information and being accountable. Therefore, 

**H6:** Symmetrical communication is positively associated with transparent communication.

**Organizational Leadership**

As previously noted, communication between leaders of various levels and followers constitute a major component of the internal communication system. Leadership is one of the most discussed topics in the social sciences (Bass, 1990; Derue, Nahrgang, Wellman, & Humphery, 2011). However, as noted by Aldoory and Toth (2004), despite the extensive research on the construct of leadership in the disciplines of management, business, and marketing, a “strong scholarly discourse on leadership” is lacking in public relations (p. 157).

**Definition of Leadership**

According to Yukl (2006), leadership has been defined from a variety of perspectives, such as the “traits, behaviors, influence, interaction patterns, role
relationships, and occupation of an administrative position” (p. 2). For example, Burns (1978) noted that leadership is exercised when individuals “mobilize…institutional, political, psychological and other resources so as to arouse, engage, and satisfy the motives of followers.” Rauch and Behling (1984) defined leadership as “the process of influencing the activities of an organized group toward goal achievement” (p. 46). Richards and Engle (1986) argued that leadership is about behaviors of “articulating visions, embodying values, and creating the environment within which things can be accomplished” (p. 206). Yukl and Van Fleet (1992) defined leadership as a process of influence, including “influencing the task objectives and strategies of a group or organization, influencing people in the organization to implement the strategies and achieve the objectives, influencing group maintenance and identification, and influencing the culture of organization” (p. 149). House et al. (2004) defined leadership as “the ability of an individual to influence, motivate, and enable others to contribute toward the effectiveness and success of the organization of which they are members” (p. 15). As noted by Stogdill (1974) and cited in Yukl (2006, p. 8), “there are as many definitions of leadership as there are persons who have attempted to define this concept” (p. 259). Consequently, researchers normally define the term according to their individual perspective or the aspects of the leadership phenomenon they are interested in (Yukl, 2006).

The current study agrees with Yukl and Van Fleet (1992) and Yukl (2006) that the essence of leadership is influence. Existing as a nested form in the organization, leadership influences not only the followers’ attitude and behavior, group performance,
but also the organizational structure, climate, culture, and effectiveness (Yukl & Van Fleet, 1992). Therefore, Yukl’s recent definition of leadership is adopted in the present study to examine its influence on the internal communication system as “the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives” (Yukl, 2006, p. 8). In addition, similar to Yukl and Van Fleet (1992), this study does not distinguish between leaders and managers in the present research because the terms are often used interchangeably in the leadership literature. Specifically, leaders or managers are considered to be those who occupy positions in which they are expected to perform the leadership role in an organization.

**Leadership Style**

Early studies conducted at the Ohio State University identified two categories of leadership behavior, namely, initiating structure (task-oriented behaviors) and consideration (relations/people-oriented behaviors) (Stogdill, 1963), which influenced decades of leadership research. Leader-initiating structure behaviors are concerned about the accomplishment of tasks. Leaders plan work activities, clarify roles and objectives, ask followers to follow standard procedures, monitor their operations, and may criticize poor work. By contrast, leader consideration or people-oriented behaviors concern interpersonal relationships. Leaders in this category care about the personal feelings and need of followers, and act in a friendly manner. They are willing to listen to followers, consult them in making important decisions, accept their suggestions, and express appreciation to their followers’ achievements (Yukl, 2006).
However, as noted by Yukl and Van Fleet (1992), research that examined the consequences of initiating structure-consideration leadership behaviors drew contradictory and inconclusive results. Although some studies conducted in an Asian society (i.e., Japan) showed that both initiating structure and consideration behaviors are effective, research conducted in the Western context (i.e., the United States) concluded that only consideration behaviors positively affect follower satisfaction.

Later in the 1980s, a new taxonomy of leadership styles—transformational and transactional leadership—started to capture scholarly attention, and aroused a spark of research in the past decades. The transformational leadership concept was first proposed by Burns (1978) in the political context. According to Burns, transformational leadership seeks to motivate followers by appealing to their higher-level needs, ideals, and moral values, such as justice, equality, peace, liberty, and humanitarianism. Transformational leadership is distinguished from influence based on bureaucratic authorities or that emphasizes legitimate power, rules, and standards. Transformational leaders transformed followers from their “everyday selves” into their “better selves.”

Building on the early theory of Burns, Bass (1985) reformulated and detailed the theory of transformational leadership, and extended it to the corporate context. According to Bass (1985) and Bass and Avolio (1997), leadership may be categorized into three styles: transformational, transactional, and Laissez-faire (non-leadership), known as the full-range leadership model. Among them, transformational leadership

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6 The Laissez-faire type of leader shows an indifference toward followers. This type of leadership is normally described as the absence of effective leadership. Transactional leadership motivates followers by appealing to their
has generated the most scholarly attention across disciplines in the past decade due to its relationship-oriented nature and the rich empirical evidence on its positive influence on employee attitudes and behaviors (e.g., Behling & McFillen 1996; DeGroot, Kiker, & Cross 2000; Dirks & Ferrin, 2002; Dumdum, Lowe, & Avolio 2002; Dvir, Eden, Avolio, & Shamir 2002; Lowe, Kroeck, & Sivasubramaniam, 1996; Podsakoff, MacKenzie, & Bommer, 1996). The current study aims to propose a normative model in which effective leadership style serves as an antecedent factor for internal communication. Thus, the study is especially concerned with transformational leadership.

**Transformational leadership**

Transformational leaders are charismatic. They motivate followers by appealing to their moral values, making them more aware of the importance and value of accomplishing tasks and achieving shared objectives, and inducing them to transcend self-interests for the sake of the group or the organization (Bass, 1985). This form of leadership involves the creation of an emotional attachment between leaders and followers. Acting as role models, transformational leaders can arouse strong follower emotions and identification with the leader (Yukl, 2006). Transformational leaders take a real interest in the well-being of their employees. As noted by Jin (2010), transformational leadership integrates the elements of “empathy, compassion, sensitivity, relationship building, and innovation” (p. 174). Transformational

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personal lower-level desires, based on instrumental economic transactions. Transactional leadership is occasionally referred to as authoritative, because transactional leaders generally use organizational bureaucracy, policy, power, and authority to maintain control (Bennet, 2009). Transformational leadership activates followers' higher-order needs, and motivates them to transcend their own self-interest for the sake of the organization.
leadership fosters a climate of trust, nurtures the followers’ confidence, and encourages their individual development. In addition, transformational leaders stimulate followers to challenge their old ways in work and view problems from new perspectives. In terms of decision making, transformational leaders seek to empower and escalate followers. They are willing to share power and delegate significant authority to followers to make them less dependent on the leader (Aldoory & Toth, 2004; Men & Stacks, 2012; Yukl & Van Fleet, 1992). Therefore, transformational leadership may be considered as relationship-oriented, change-oriented, and participative by nature.

Podsakoff et al. (1990, 1996) suggested that six dimensions define transformational leadership behavior: identifying and articulating a vision; providing an appropriate model; fostering the acceptance of group goals; setting high performance expectations; providing individualized support; and promoting intellectual stimulation. Identifying and articulating a vision involves the leaders’ identification of new opportunities for the unit or company, and developing, articulating, and inspiring employees with the vision of future. Providing an appropriate model refers to leaders setting examples for employees that are consistent with the values they hold. Fostering the acceptance of group goals means promoting cooperation among employees and getting them to work together toward common

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7 Podsakoff et al.’s six-dimension model of transformational leadership is equivalent to Bass and Avolio’s (1997; 2000) four-dimension model, in which the dimensions of “identifying and articulating a vision,” “providing an appropriate model,” “fostering the acceptance of group goals,” and “high performance expectations” are combined and presented as “charisma or idealized influence” and “inspirational motivation.” Podsakoff’s construct of transformational leadership was adopted because it is a more construct-valid measure.
goals. High performance expectation refers to the leaders’ demonstration of their expectations of excellence, quality, and high performance from employees. Providing individualized support means that leaders respect employees and attend to their personal feelings, needs, and well-being. Intellectual stimulation refers to the leaders’ stimulation of employees to challenge their status quo and “think creatively, take risks, and participate intellectually” (Harms & Crede, 2010, p. 6).

**Authentic leadership**

Another type of strategic leadership that recently drew scholarly attention is authentic leadership. The construct of authentic leadership was developed given a recent “upswing in highly publicized corporate scandals, management malfeasance, and broader societal challenges facing public and private organizations” (Walumbwa et al., 2008). These negative social trends call for a new type of genuine and value-based leadership, the ultimate goal of which is to “train and develop leaders who will proactively foster positive environments and conduct business in an ethical, socially responsible manner” (Cooper, Scandura, & Schriesheim, 2005).

In 2003, Bill George, a former CEO, provided his insights into authentic leadership from the practitioner perspective. According to George (2003), five dimensions characterize authentic leadership: pursuing purpose with passion; practicing solid values; leading with heart; establishing enduring relationships; and demonstrating self-discipline. At the same time, Luthans and Avolio (2003) proposed their initial definition of authentic leadership in the academic community as “a process that draws from both positive psychological capacities and a highly developed
organizational context, which results in both greater *self-awareness* and *self-regulated positive behaviors* on the part of leaders and associates, fostering *positive self-development.*” This early definition purports a key idea of authentic leadership in which leaders are deeply aware of their values, beliefs, emotions, self-identities, and abilities. They know clearly who they are and what they believe in; thus, they can stay “true” to themselves. With that said, authentic leaders do not conform to role expectations that are not consistent with their values and beliefs (i.e., what they believe is right, proper, or necessary). In other words, the actions of authentic leaders are largely determined by what they believe, rather than a desire to be liked or admired (Yukl, 2010). *Consistency* in what they believe, say, and do is a key tenet for authentic leadership. In addition, the reason why the authentic leadership idea was invented determines its *ethical foundation.* Luthan and Avolio (2003), and May, Chan, Hodge, and Avolio (2003) also argued that authentic leadership incorporates a positive moral perspective characterized by high ethical standards that guide decision making and behaviors. Authentic leaders have positive core values, such as honesty, altruism, kindness, fairness, accountability, and optimism (Yukl, 2010).

In an effort to empirically test the authentic leadership theory, Walumbwa, Avolio, Gardner, Wernsing, and Peterson (2008) operationally defined authentic leadership based on previous literature (e.g., Cooper, Scandura, & Schriesheim, 2005; Gardner *et al.*, 2005; Illes, Moreson, & Nahrgang, 2005; Luthans & Avolio, 2003; May *et al.*, 2003). According to Walumbwa *et al.* (2008), authentic leadership is ...

*...a pattern of leadership behavior that draws upon and promotes both positive psychological capacities and a positive ethical climate, to*
foster greater self-awareness, an internalized moral perspective, balanced processing of information, and relational transparency on the part of leaders working with followers, fostering positive self-development (p. 94).

The measure of authentic leadership developed by Walumbwa et al. (2008), known as the Authentic Leadership Questionnaire, includes four dimensions: self-awareness, relational transparency, balanced processing, and internalized moral perspective. Self-awareness refers to the leaders’ understanding of how they make meaning of the world, their strengths, and weaknesses, and the multifaceted nature of the self. This dimension also includes the leaders’ awareness of the “reflected self-image” (how others perceive the leader). Authentic leaders use both self-knowledge and reflected self-image to enhance leadership effectiveness.

Relational transparency refers to the presentation of one’s authentic self to others, which may include behaviors of disclosure, openly sharing information, expressions of one’s true thoughts and feelings, and so on. Balanced processing means the leaders’ objective analysis of all relevant data before coming to a conclusion or decision.

Finally, internalized moral perspective refers to an internalized and integrated self-regulation “guided by internal moral standards and values versus group, organizational, and societal pressures” and “results in expressed decision making and behavior that is consistent with these internalized values” (Walumbwa, 2008, p. 96).

Relationship between transformational and authentic leadership

Scholars have noted that there is some conceptual overlap between authentic and transformational leadership as both type of leaders have a deep sense of ethical values (Walumbwa, et al., 2008), care about employees’ well-being and characterize
by two-way and open communication (Yukl, 2010). However, a key distinction is that authentic leaders are authored by their strong self-awareness; “they know where they stand on important issues, values, and beliefs, and they are transparent with those they interact with and lead” (Walumbwa, et al., 2008, p. 104). Moreover, authentic leaders choose behaviors that are highly aligned with their core values and beliefs, which may not be described as charismatic or inspirational by others. By contrast, transformational leaders have been shown to be charismatic, and motivate others and transform organizations through a powerful, positive vision; an intellectually stimulating idea; attention to uplifting the needs of followers individually; and having a clear sense of purpose. The discriminant validity of authentic and transformational leadership has been empirically evidenced by Walumba et al. (2008). The current study maintains that transformational and authentic leadership are closely-related effective leadership styles though they are theoretically distinct. A good leader can demonstrate both leadership styles at the same time or either of them. Both transformation and authentic leadership are examined in relation to strategic communication.

Leadership Studies in Public Relations

As pointed out by several public relations scholars (e.g., Aldoory & Toth, 2004; Jin, 2010; Werder & Holtzhausen, 2009), although the importance of leadership is widely recognized and the concept is well researched in the disciplines of management, business, and marketing, leadership research in the public relations setting is still in the emerging stage.
Aldoory and Toth (2004) started the building of the leadership theory in public relations by revealing that a strong preference for transformational leadership over transactional leadership exists in the public relations arena. Following Aldoory and Toth’s (2004) call for leadership research in public relations, a couple of initiatives have been conducted. For example, Werder and Holtzhausen (2009) examined the influence of leadership style in the use of public relations strategies, and indicated that transformational leadership is positively related to effective public relations strategies, such as persuasive and cooperative problem-solving strategies. From the trait perspective, Jin (2010) examined the role of emotions in public relations leadership. She advocated that transformational leadership and empathy are key predictors of public relations leaders’ competency in gaining employee trust, managing employees’ frustration and optimism...” and managing “decision-making conflicts” (p. 159). Emotional leadership skills can enhance public relations leadership effectiveness. Most recently, Shin, Heath, and Lee (2011) compared the preferred leadership characteristics of public relations practitioners in the United States and South Korea. They concluded that, although some leadership traits, such as skillful communication, strategic thinking, ability of problem recognition and solutions, are recognized across situations, public relations leadership is contingent on culture and situation differences.

The limited existing literature on leadership in public relations (e.g., Aldoory & Toth, 2004; Jin, 2010; Meng, Gower, Berger & Heyman, 2012; Shin et al., 2011; Werder & Holzhausen, 2009) mainly focused on examining the leadership styles and
traits preferred or demonstrated by public relations leaders. However, public relations effectiveness is influenced not only by public relations leadership, but also organizational leadership. For instance, externally, senior leaders of the organization (e.g., CEOs) are the public faces that personify the organization and help “define and embody an organization’s image” and reputation (J. Grunig, 1993, p. 97; Men, 2011b). Internally, leadership influences organizational infrastructures, such as the development of the organizational culture (Yukl, 2006) and communication climate. In the Excellence study, J. Grunig (1992) argued that the management of effective organizations should advocate a participative culture, rather than an authoritative one. In a participative culture, management shares its decision-making authority with employees. A sense of equality is valued because decisions are made with the involvement of those who are most influenced (Dozier, J. Grunig, & L. Grunig, 1995). Such culture is often associated with an organic, decentralized, and less formalized organizational structure that promotes extensive and open communication. According to L. Grunig et al. (2002), these organizational contextual factors (e.g., participative culture, organic structure, diversity) nurture excellent public relations practices because they provide a hospitable and supportive environment to communicate with the external public and facilitate the organization’s internal communication with employees (L. Grunig et al., 2002; Kim & Rhee, 2011). Additionally, leaders (i.e., managers) interact with followers on a daily basis; thus, they are often regarded as preferred and credible sources of information by employees (Larkin & Larkin, 1994).
Leadership communication plays a critical role in shaping the organization’s internal communication system.

**Leadership and Internal Communication**

Leadership is enacted through communication (Holladay & Coombs, 1993). Thus, communication has generally been considered as one of the core competences of effective leadership (Clutterbuck & Hirst, 2002). As suggested by several authors focused on internal communication, a leader’s communication competence, communication styles, and channels can influence the employees’ attitudinal and behavioral outcomes. Specifically, Holladay and Coombs (1993) noted that leadership communication shapes the follower’s perception of leader charisma. When leaders clearly and persuasively communicate a vision, they gain the confidence of followers. Madlock (2008) found that leaders’ communication competence is a positive predictor for the employee’s job satisfaction. Regarding the use of communication channels by leaders, Cameron and McCollumn (1993) noted that the two-way nature of interpersonal communication channels, such as team meetings, group problem-solving sessions, and supervisor briefings, may enhance management-employee relationships better than publications. Such communication-rich channels in the face-to-face format effectively foster a sense of community and belonging among employees in the organization (White, Vane & Stafford, 2010). De Vries, Bakker–Pieper, and Oostenveld (2010) represented one of the first attempts to examine the relationships between leadership style and leaders’ interpersonal communication style. They found that people-oriented (e.g., transformational) leaders are generally more
communicative than the task-oriented ones (e.g., transactional leadership). In addition, human-oriented leadership communication is characterized by supportiveness and less verbal aggressiveness, whereas task-oriented leadership is characterized by more assuredness, preciseness, and relatively more verbal aggressiveness. By comparison, human-oriented leadership communication is more positively related to follower satisfaction and commitment to the group.

**Leadership style and excellence in internal communication**

Since leadership communication represents one of the major components of organizations’ internal communication system, it can be argued that the leadership style prevalent in the organization influences the characteristics of organization’s internal communication.

**Transformational leadership, symmetrical, and transparent communication**

Hackman and Johnson (2004) broadly theorized that transformational leadership is characterized by creative, interactive, visionary, empowering, and passionate communication behaviors. According to Hackman and Johnson, transformational leaders seek to create changes through a creative process of “thinking from outside of the box,” such as being open to different opinions and listening to followers. They are willing to communicate with followers. Transformational leaders are involved with interactive and intimate interactions with followers to better understand and address the followers’ higher-order needs. By doing this, a transformational leader can be “touched, felt, believed and heard” (Neff & Citrin, 1999, pp. 39–40). Having a well-communicated vision that is desirable,
inspirational, and attainable is among the most important acts of transformational leaders. This gives followers a sense of meaning within the organization, which in turn, improves their commitment in the organization. Hackman and Johnson (2004) also noted that transformational leadership communication is empowering.

Transformational leaders really care about the well-being of followers. Thus, they invite open and participative communication to discover the followers’ needs and involve them in the decision-making process (Hackman & Johnson, 2004). Therefore, transformational leadership communication demonstrates both symmetry and transparency attributes, such as two-way communication, listening, openness, feedback, participation, and accountability. In turn, these attributes contribute to shaping a symmetrical and transparent internal communication system in the organization. Therefore,

**H7**: Transformational leadership is positively associated with symmetrical internal communication (H7a) and transparent communication (H7b).

**Authentic leadership, symmetrical and transparent communication**

Authentic leaders behave in accordance with their values and strive to achieve openness and truthfulness in their relationships with their followers. Such authenticity is often accompanied by open communication, disclosure, and the expressions of one’s true and genuine thoughts and feelings (Walumbwa et al., 2008, 2010). With the goal of establishing enduring relationships with followers, authentic leaders truly care about the employees’ wellbeing. They emphasize the symmetrical notion of non-manipulations of followers (Walumbwa et al., 2010). In addition, authentic
leaders are deeply aware of their desirable and undesirable aspects. They hold themselves accountable by objectively processing this information and staying true to who they are, what they say, and how they act. Supporting an open and fair work environment for employees, authentic leaders are also described to demonstrate transparent decision making (Avolio & Gardner, 2005; Walumbwa, Luthans, Avey, & Oke, 2011). Therefore, authentic leadership communication may be characterized by openness, consistency, transparency, truthfulness, and accountability. Thus, the following hypotheses and research question are proposed.

**H8:** Authentic leadership is positively associated with symmetrical internal communication (H8a) and transparent communication (H8b).

**RQ2:** What types of communication channels are preferred by transformational and authentic leaders to communicate with employees?

**Leadership Style and Employee Outcomes**

Employees interact with their leaders on a daily basis. Thus, the leaders’ treatment of their followers directly influences employee perception of the organization (Men & Stacks, 2012). Additionally, according to D’Aprix (2010), leadership at all levels of the organization, and particularly leadership at the level closest to employees, is one of the biggest influencers of employee engagement.

**Transformational leadership and employee outcomes**

Numerous studies in the management arena have consistently demonstrated the positive effects of transformational leadership on employee job attitudes and
behaviors, and attitudes toward leaders. These attitudes and behaviors include trust in leaders, job satisfaction, satisfaction with the leader, leader-member exchange, team/organizational commitment, loyalty, task performance, and organizational citizenship behavior (e.g., Behling & McFillen, 1996; DeGroot, Kiker, & Cross 2000; Dirks & Ferrin, 2002; Dumdum, Lowe, & Avolio, 2002; Dvir, Eden, Avolio, & Shamir, 2002; Judge & Piccolo, 2004; Lowe, Kroeck, & Sivasubramaniam 1996; Podsakoff, MacKenzie, & Bommer, 1996). Similarly, this study proposes that transformational leadership is positively associated with organization-employee relationship, employee evaluation of organizational reputation, and employee engagement in the organization.

On the one hand, transformational leaders provide support to employees, and care about the employee’s concerns and development. They delegate a significant decision-making authority to employees. Thus, employees are motivated and feel trusted by the management. Therefore, employees are satisfied with the organization and are less prone to leave. A favorable evaluation of the organization may also be formulated. Furthermore, by coaching, listening, providing performance feedback, fulfilling individual needs, and stimulating changes, transformational leaders can elicit lasting levels of employee engagement (D’Aprix, 2010). On the other hand, given that transformational leadership has been hypothesized to shape the organization’s internal communication system, symmetrical and transparent communication generates positive employee attitudes and behavioral outcomes toward the organization. Thus, transformational leadership can influence employee
outcomes through symmetrical and transparent communication as the mediator.

Therefore,

**H9:** Transformational leadership is positively related to
organization-employee relationship (H9a), employee perception of
organizational reputation (H9b), and employee engagement (H9c).

**H10:** Symmetrical communication (H10a) and transparent communication
(H10b) mediate the effects of transformational leadership on
organization-employee relationship, employee perception of
organizational reputation, and employee engagement.

**Authentic leadership and employee outcomes**

Gardner *et al.* (2011) identified 91 existing publications on authentic
leadership, including 24 empirical studies. The empirical literature has identified a
variety of positive outcomes of authentic leadership, including identification with the
leaders (Walumbwa *et al.*, 2010), trust (e.g., Wong & Cummings, 2009),
organizational commitment (e.g., Jensen & Luthans, 2006; Walumbwa *et al.*, 2008),
employee engagement (e.g., Walumbwa *et al.*, 2010), employee work happiness
(Jensen & Luthans, 2006), organization citizenship behavior (e.g., Walumbwa *et al.*, 2010), and employee job performance (Walumbwa *et al.*, 2008; Wong & Cummings, 2009).

Authentic leaders act in a way that matches their words, which are in
accordance with their fundamental and deeply rooted shared values with the
organization and high moral standards. Consistency between the words and behaviors
of leaders has everything to do with the credibility, employee trust, and commitment (Berger, 2008). Men (2011b) demonstrated that perceived credibility of an organization’s senior leadership cultivates employees’ favorable perception of the organization and employee engagement. When the organization’s senior leadership is viewed as trustworthy and credible, employees tend to like the organization more and feel more engaged. Similar notions may also be applied to the employees’ immediate leaders. Additionally, authentic leaders solicit views from followers, and utilize such inputs in making decisions. They openly share information fairly and transparently with employees, and are oriented toward building quality relationship with them. Higher levels of disclosure, transparency, two-way communication, and relationship orientation that characterize authentic leadership develop a positive environment where employees feel trusted, supported, and involved. Thus, employee trust, satisfaction, positive feelings, and engagement with the organization are boosted. Therefore, the following hypotheses can be proposed:

**H11:** Authentic leadership is positively related to organization-employee relationship (H11a), employee perception of organizational reputation (H11b), and employee engagement (H11c).

**H12:** Symmetrical communication (H12a) and transparent communication (H12b) mediate the effects of authentic leadership on organization-employee relationship, employee perception of organizational reputation, and employee engagement.
Hypothesized Model

Overview of the Model

The present study proposes a conceptual model, as illustrated in Figure 2.2, composed of organizational leadership, internal communication, and indicators of communication effectiveness. These indicators are organization-employee relationship, employee perception of organizational reputation, and employee engagement. In this model, organizational leadership is proposed to be an antecedent organizational factor that influences internal communication practices. In turn, these practices influence three employee outcomes. Organizational leadership as a contextual factor influences employee outcomes both directly and indirectly, with internal communication as a mediator.

![Figure 2.2. Conceptual model of organizational leadership, internal communication, and communication outcomes](image)

Specifically, as demonstrated in Figure 2.3, two effective leadership styles identified in the literature, transformational and authentic leadership, were predicted to contribute to the development of symmetrical and transparent communication
systems in the organization. Symmetrical and transparent communications are related strategic communication characteristics that affect the three employee outcomes which were proposed to be associated with each other. In particular, a good relationship between the organization and employees (indicated by employee trust, satisfaction, commitment, and control mutuality) is believed to lead to favorable employee evaluation of organizational reputation and employees’ involvement and engagement within the organization psychologically and behaviorally. Employee perception of organizational reputation was also proposed to influence employees’ engagement level. The mechanisms underlying these relationships have been discussed earlier.

Figure 2.3. Hypothesized model of the effects of transformational and authentic leadership style, and symmetrical and transparent communication on organization-employee relationship, perceived organizational reputation, and employee engagement.
In summary, the following research questions and hypotheses emerge from the literature review chapter.


H2. Employee perception of organizational reputation positively influences employee engagement.


H4: Symmetrical internal communication positively influences organization-employee relationship (H4a), employee perception of organizational reputation (H4b), and employee engagement (H4c).

H5: Transparent communication positively influences organization-employee relationship (H5a), employee perception of organizational reputation (H5b), and employee engagement (H5c).

H6: Symmetrical communication is positively associated with transparent communication.

H7: Transformational leadership positively influences symmetrical internal communication (H7a) and transparent communication (H7b).

H8: Authentic leadership positively influences symmetrical internal communication (H8a) and transparent communication (H8b).
H9: Transformational leadership is positively related to organization-employee relationship (H9a), employee perception of organizational reputation (H9b), and employee engagement (H9c).

H10: Symmetrical communication (H10a) and transparent communication (H10b) mediate the effects of transformational leadership on organization-employee relationship, employee perception of organizational reputation, and employee engagement.

H11: Authentic leadership is positively related to organization-employee relationship (H11a), employee perception of organizational reputation (H11b), and employee engagement (H11c).

H12: Symmetrical communication (H12a) and transparent communication (H12b) mediate the effects of authentic leadership on organization-employee relationship, employee perception of organizational reputation, and employee engagement.

RQ1: What communication channels are preferred by employees to receive information from the company and from their managers?

RQ2: What types of communication channels are preferred by transformational and authentic leaders to communicate with employees?
CHAPTER 3

METHODOLOGY

The purpose of this study is to explore the associative links (1) between organizational leadership style and the characteristics of internal communication system; (2) between effective internal communication strategies (i.e., symmetrical communication, transparent communication, selection of communication channels) and employee outcomes; and (3) among organizational leadership, internal communication, and outcome variables, namely, organization-employee relationship, employee perception of organizational reputation, and employee engagement.

The research hypotheses and questions posited in Chapter 2 were tested using the quantitative survey research method. This chapter first demonstrates the appropriateness of the survey method for this study. Then, it describes the research design (e.g., population and sampling, instrumentation, and pretest) and the collection, reduction, and analysis of data. Statistical procedures for data analysis and criteria used to evaluate statistical results are mentioned in detail. Finally, ethical considerations involved in this study are discussed.

Survey as Research Method

Methodologists acknowledge that the choice of a research method depends on the purpose of the study and the nature of research questions (e.g., L. Grunig, 2008; Nardi, 2003; Stacks, 2010). This dissertation does not aim to understand socially constructed realities, which might be multiple, contingent on a given context, or based on diverse viewpoints of the research participants (Guba, 1990). Instead, this study
intends to seek the verifiable truth that functions in a cause-and-effect model. It aims to test the hypothesized associative relationships among variables of interest to make predictions. Therefore, a quantitative research approach is more appropriate than a qualitative approach.

Survey research is one of the most popular methods available to social scientists (Babbie, 2001) and the most commonly used methodology in public relations (Stacks, 2010). Babbie (2001) defined survey research as “the administration of questionnaires to a sample of respondents selected from a population” (p. 405), with a purpose of providing quantitative and generalizable descriptions about aspects of the study population (Wrench, Thomas-Maddox, Richmond, & McCroskey, 2008). According to Babbie (2001), survey research can be used for descriptive, explanatory, and exploratory purposes. It is particularly suitable when measuring answers to questions concerning the attitudes, beliefs, and behaviors of a large number of research participants (Babbie, 2001; Weisberg, Krosnick, & Bowen, 1996). In addition, survey research allows researchers to test causal relationships among variables of interest with non-experimental data while ensuring external validity (Judd, Smith, & Kidder, 1991; Weisberg, et al., 1996). The present study aims to test empirically the causal model to be generalized to a larger population composed of perceptual constructs. The experimental method is not feasible for the current study because the independent variables, such as leadership style, internal communication system, organization-employee relationship, and perceived reputation, take time to

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8 The experiment method is generally considered as the most rigorous way to establish causal relationships between variables because it allows the full control of extraneous variables. However, its external validity (i.e., generalizability) is diminished as well (Stacks, 2010; Wrench, et al., 2008).
develop and are hard to manipulate. For the reasons discussed above, the survey is the most relevant and appropriate method to deal with the hypotheses and research questions proposed in this study.

**Research Design**

**Population and Sample**

The population of the study comprised employees at different level of positions working in medium and large corporations in the United States. The goal of the sample selection was to cover a diverse range of business communities to cross-validate the proposed model. Two approaches were applied to generate the sample. Specifically, first, a list of 50 companies was initially generated randomly from the 2011 Fortune 1000 company list. Each company was then contacted by e-mail by the researcher to ask for permission to conduct a survey among their employees (see Appendix A). Seven companies responded to the request, however, all showing reluctance to participate in the survey due to internal policies or timing issues.

Then, the second approach was sought for. Rather than recruit participant corporations, individual employees who work for a variety of medium and large corporations were recruited through a sampling firm. The sampling firm solicited participation from its current research panel members of 1.5 million in the United States through its patented on-line sampling platform. Qualified potential participants

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9 Small business companies with less than 250 employees (Wiki, 2012) were excluded from the population in the current study because small companies have different organization dynamics from medium and large corporations. Leadership and public relations practice are believed to be more salient in big and mature corporations.

10 The sampling firm is a global provider of sampling solutions for survey research with headquarters in the United States and was the first commercial research sampling company.
were directed to the on-line survey hosted by the researcher. Stratified and quota random sampling strategies were used to obtain a representative sample with comparable age groups, gender, and corporation size across various income and education levels. Probability sampling strategy was preferred because it allows the increase of external validity and generalizability of the findings of the survey beyond the immediate sample (Nardi, 2003). To determine the sample size, Bentler and Chou’s (1987) and Stacks’ (2010) rules were followed, and a sample size of 400 was considered sufficient.  

**Pretest and Preliminary Survey**

Before administering the survey to the participants, one pretest and one preliminary survey were conducted to ensure reliability and validity of the measure. The pretest was conducted on 30 employees who work in a Fortune 100 software company in the company food court on January 2011. Respondents filled out the survey and gave feedback on their feelings of the survey in terms of wording, clarity of theme, and format. Based on respondent feedback, some questions were slightly reworded to avoid ambiguity and confusion. For example, the item, “Leaders in my department consider my personal feelings before acting” was changed to “My manager considers my personal feelings before acting.” Moreover, a five-point Likert

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11 According to Bentler and Chou (1987), a ratio of ten responses per free parameters is required to obtain trustworthy estimates. There were 36 parameters estimated in the SEM model. Therefore, 360 (i.e., 36*10) respondents were needed for model testing. According to Stacks (2010), for an infinite population over 100,000 people, a random sample size of 384 is considered representative. Therefore, 400 was considered a sufficient sample size for the current study.
scale on major concepts was changed to a seven-point Likert scale (1= “Strongly Disagree,” 7= “Strongly Agree”) to capture the respondent traits better and follow respondent suggestions.

In March 2011, the researcher conducted a preliminary online survey with 700 randomly selected employees from a Fortune 500 energy company using the pretested instrument. A total of 167 employees completed the online survey. Preliminary analysis of the reliability and validity of the measures demonstrated satisfactory results. Therefore, most of the measurement instrument of key variables remained the same in the current study. However, to avoid respondent fatigue and reduce the length of the questionnaire, several demographic questions were excluded from the actual survey (i.e., questions asking the ethnicity and nationality of the respondents, and industry tenure). Additionally, a six-item shorter measure of transformational leadership was adapted based on exploratory factor analysis of the preliminary survey and used in the final survey.

**Data Collection Process**

The data for the present research were collected via an Internet survey in March 2012. The online questionnaire was adopted as the technique for data collection for its advantages of low cost and high speed in sending and returning information (Stacks, 2010). Specifically, starting March 1, the on-line survey link was provided to the sampling firm. Data collection began on March 5, when qualified participants who were randomly selected by the sampling firm were directed to Weblink to complete the on-line survey. The data were monitored by the researcher.
every day to exclude incomplete and streamline responses. By March 15, 2012, a sample size of 402 was achieved. Thus, the data collection process was concluded.

**Instrumentation**

The hypothesized model (see Figure 2.2) aimed to examine the causal relations between transformational and authentic leadership, symmetrical and transparent communication, and among organization-employee relationship, employee perception of organizational reputation, and employee engagement. Transformational leadership was treated as an observed variable, *authentic leadership* as a latent variable with four indicators (i.e., self-awareness, relational transparency, internalized moral perspective, and balanced processing), *symmetrical communication* as an observed variable, *transparent communication* as a latent variable with three indicators (i.e., substantial information, participation, and accountability), *organization-employee relationship* as a latent variable with four indicators (i.e., trust, control mutuality, commitment, and satisfaction), *employee perception of organizational reputation* as an observed variable, and *employee engagement* as a latent variable with two indicators (i.e., positive affectivity and empowerment).

The measures of these key concepts were adapted from previous literature (Fombrun, Gardberg, & Sever, 2000; Fombrun & Van Riel, 2004; J. Grunig, 1992a; Hon & J. Grunig, 1999; Kang, 2010; Kirkman, Chen, Farh, Chen, & Lowe, 2009; Neider & Schriesheim, 2011; Podsakoff *et al.*, 1990, 1996; Rawlins, 2008; 2009; Saks & Rotman, 2006). The scale used for close-ended questions was the seven-point...

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12 Reliabilities of the measures in the current study are reported in Chapter 4.
Likert scale ranging from “strongly disagree” to “strongly agree” or other labeling of response categories, such as “least often” to “most often.” The response categories were clearly labeled in the scales to help participants respond to the questions. A copy of the instrument employed via the Internet is found at Appendix B.

**Transformational leadership**

The measure of transformational leadership in the current study was adapted from Kirkman, Chen, Farh, Chen and Lowe (2009) and the Transformational Leadership Inventory (TLI) of Podsakoff, MacKenzie, Moorman and Fette (1990). Strong evidence from prior empirical studies supports the reliability and validity of these scales (Kirkman, Chen, Farh, Chen, & Lowe, 2009; Pillai & Williams, 1998; Podsakoff et al., 1990, 1996; Spreitzer et al., 2005; Viator, 2001). The following six items which showed the largest factor loading on each dimension of transformational leadership (i.e., identifying and articulating a vision; providing an appropriate model; fostering the acceptance of group goals; setting high performance expectations; providing individualized support; and promoting intellectual stimulation) in the preliminary survey were selected to compose a shorter measure to evaluate the transformational leadership style of the leaders (see Appendix B):

1. My manager articulates a vision. (Vision)
2. My manager provides an appropriate model. (Model)
3. My manager facilitates the acceptance of group goals. (Group Goals)
4. My manager makes it clear that he/she expects a lot from us all of the time. (Performance expectations)
5. My manager shows respect for my personal feelings. (Individual support)

6. My manager challenges me to think about old problems in new ways.  
   (Intellectual stimulation)

**Authentic leadership**

The measure of authentic leadership in the present study was derived from the Authentic Leadership Inventory (ALI) of Neider and Schriesheim (2011). The following 14 items were used to evaluate the authentic aspects of self-awareness, relational transparency, internalized moral perspective, and balanced processing of the leader:

1. My manager describes accurately the way others view his/her abilities.  
   (Self-awareness)

2. My manager shows that he/she understands his/her strengths and weaknesses. (Self-awareness)

3. My manager is clearly aware of the impact he/she has on others.  
   (Self-awareness)

4. My manager clearly states what he/she means. (Relational transparency)

5. My manager openly shares information with others. (Relational transparency)

6. My manager expresses his/her ideas and thoughts clearly to others.  
   (Relational transparency)

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13Walumbuwa et al. (2008) first operationalized authentic leadership in the Authentic Leadership Questionnaire (ALQ). Although research has demonstrated encouraging evidence of the reliability and validity of ALQ (Gardner et al., 2011; Walumbuwa et al., 2008), one major concern is that the full ALQ is commercially copyrighted. Hence, this study adopted an equivalent measure, the ALI.
7. My manager shows consistency between his/her beliefs and actions.  
   (Internalized moral perspective)
8. My manager uses his/her core beliefs to make decisions. (Internalized moral perspective)
9. My manager resists pressures on him/her to do things contrary to his/her beliefs. (Internalized moral perspective)
10. My manager is guided in his/her actions by internal moral standards.  
    (Internalized moral perspective)
11. My manager asks for ideas that challenge his/her core beliefs. (Balanced processing)
12. My manager carefully listens to alternative perspectives before reaching a conclusion. (Balanced processing)
13. My manager objectively analyzes relevant data before making a decision.  
    (Balanced processing)
14. My manager encourages others to voice opposing points of view.  
    (Balanced processing)

**Symmetrical communication**

To operationalize symmetrical communication in the corporate internal setting, the following four items developed by Dozier et al. (1995) were used.\(^\text{14}\)

1. Most communication between management and other employees in this

\(^{14}\) The item of “I am usually informed about major changes in policy that affect my job before they take place” was excluded from the measure due to its content redundancy with the “substantial information” dimension of transparent communication.
organization can be said to be two-way communication (e.g., listening as well as telling).

2. This company encourages differences in opinions.

3. The purpose of communication in this organization is to help management be responsive to problems of other employees.

4. I am comfortable talking to my manager when things are going wrong.

**Transparent communication**

The present study adapted the conceptualization of organization transparency of Rawlins (2008, 2009), and examined the three dimensions that characterize transparent communication, namely, participation, substantial information, and accountability. The following 18 items created by Rawlins (2009) were applied:

1. The company asks for feedback from people like me about the quality of its information. (Participative)

2. The company involves people like me to help identify the information I need. (Participative)

3. The company provides detailed information to people like me. (Participative)

4. The company makes it easy to find the information people like me need. (Participative)

5. The company asks the opinions of people like me before making decisions. (Participative)
6. The company takes the time with people like me to understand who we are and what we need. (Participative)

7. The company provides information in a timely fashion to people like me. (Substantial)

8. The company provides information that is relevant to people like me. (Substantial)

9. The company provides information that can be compared to previous performance. (Substantial)

10. The company provides information that is complete. (Substantial)

11. The company provides information that is easy for people like me to understand. (Substantial)

12. The company provides accurate information to people like me. (Substantial)

13. The company provides information that is reliable. (Substantial)

14. The company presents more than one side of controversial issues. (Accountable)

15. The company is forthcoming with information that might be damaging to the organization. (Accountable)

16. The company is open to criticism by people like me. (Accountable)

17. The company freely admits when it has made mistakes. (Accountable)

18. The company provides information that can be compared to industry standards. (Accountable)
Organization-employee relationship

To assess the quality of relationship between the organization and its employees, the study used a widely adapted instrument developed by Hon and J. Grunig (1999). The instrument comprises four sub-con structs: employee trust, control mutuality, commitment, and satisfaction with 20 items.

1. Whenever this company makes an important decision, I know it will be concerned about me. (Trust)

2. This company can be relied on to keep its promises. (Trust)

3. I believe that this company takes my opinions into account when making decisions. (Trust)

4. I feel very confident about this company’s skills. (Trust)

5. This company does not have the ability to accomplish what it says it will do (R). (Trust)

6. This company and I are attentive to what each other say. (Control mutuality)

7. This company believes my opinions are legitimate. (Control mutuality)

8. In dealing with me, this company has a tendency to throw its weight around (R). (Control mutuality)

9. This company really listens to what I have to say. (Control mutuality)

10. The management of this company gives me enough say in the decision-making process. (Control mutuality)
11. I feel that this company is trying to maintain a long-term commitment to me. (Commitment)

12. I can see that this company wants to maintain a relationship with me. (Commitment)

13. There is no long-lasting bond between this company and me (R). (Commitment)

14. Compared to other organizations, I value my relationship with this company more. (Commitment)

15. I would rather work together with this company than not. (Commitment)

16. I am happy with this company. (Satisfaction)

17. Both the organization and I benefit from the relationship. (Satisfaction)

18. I am not happy in my interactions with this company (R). (Satisfaction)

19. Generally speaking, I am pleased with the relationship this company has established with me. (Satisfaction)

20. I enjoy dealing with this company. (Satisfaction)

**Perceived organizational reputation (internal reputation)**

To assess organizational reputation in the eyes of employees, this study adapted the Harris–Fombrun Corporate Reputation Quotient (Fombrun *et al.*, 2000, 2004), which, to date, has been proved as “a valid, reliable, and robust tool for measuring corporate reputation” (Gardberg & Fombrun, 2002). According to the Harris–Fombrun Reputation Quotient, six key dimensions define corporate reputation (Fombrun *et al.*, 2000, 2004). These six dimensions are emotional appeal, products
and services, financial performance, vision and leadership, work environment, and social responsibility. The dimensions of products and services and social responsibility are more concerned with the external public, such as consumers.

Employee evaluation of the company pertains more to aspects of financial performance, work environment, vision, and leadership, as well as overall emotional appeal. Therefore, the following 12 items measured employee evaluation of organizational reputation.

1. I feel good about the company. (Emotional appeal)
2. I admire and respect the company. (Emotional appeal)
3. I have been happy with the company’s profitability. (Financial performance)
4. I believe the company has strong future growth prospects. (Financial performance)
5. There is low risk investing in this company. (Financial performance)
6. The company outperforms its competitors. (Financial performance)
7. The company can identify its market opportunities. (Vision and leadership)
8. The company is a leader in its industry. (Vision and leadership)

Emotional appeal refers to the good feelings, admiration, respect, and trust of the employees toward their company. Emotion is the primary drive of reputation. The ratings for other dimensions contribute to emotional appeal, which in turn creates reputation (Fombrun, 2000, 2004). Products and services refer to whether stakeholders think that the company sells products or services with high quality and good value for money, and are innovative and reliable. Financial performance measures whether stakeholders are satisfied with company profitability and believe it has strong future prospects and is worth investing in. Vision and leadership denote stakeholder feeling that the company has a clear vision for the future, effective leadership, and the capability to recognize and seize market opportunities. The vision clearly articulated and practiced by corporate leaders provides stakeholders with a sense of purpose and direction, which inspires public confidence and positive evaluation (Fombrun, 2000, 2004). Work environment refers to whether stakeholders believe the company is managed well, has a good workforce, and a good place to work. A hospitable environment created for all employees, regardless of gender, ethnicity, and sexual orientation, can significantly contribute to corporate reputation. Social responsibility measures whether stakeholders feel the company is a responsible citizen that supports good causes and demonstrates accountability to the environment and community.
9. The company has a clear vision for the future. (Vision and leadership)

10. The company is a good place to work. (Work environment)

11. The company has good employees. (Work environment)

12. The company rewards employees fairly. (Work environment)

**Employee engagement**

The measure of employee engagement in the current study was adapted from Saks and Rotman (2006) and Kang (2010) which included 12 items. This tool evaluates the employee positive affectivity and level of empowerment.

1. One of the most exciting things for me is getting involved with things happening in this company. (Positive affectivity)

2. I am really not into the “goings-on” in this company. (Positive affectivity)

3. Being a member of this company is exhilarating for me. (Positive affectivity)

4. I am enthusiastic about this company. (Positive affectivity)

5. I am proud of this company. (Positive affectivity)

6. I am attentive to this company’s activities. (Positive affectivity)

7. I am actively involved with this company. (Positive affectivity)

8. I believe I can make a difference in what happens in this company. (Empowerment)

9. I am determined to be involved for the development of this company. (Empowerment)
10. I believe I have a great deal of control over the decision-making process of this company. (Empowerment)

11. I am confident about my abilities to improve the company.

(Empowerment)

12. I believe I can collaborate with this company as a valuable partner.

(Empowerment)

In addition to measuring the key variables in the hypothesized model, three questions on employee preference of communication channels (i.e., interpersonal vs. mediated, print channels, e-mail, or social media) to receive information from the company and their leaders were asked (see Appendix B).

Data Reduction and Data Analysis

Before conducting major data analysis, the data were proofread and checked to assess the univariate normality and identify obvious univariate and multivariate outliers.\textsuperscript{16} The expectation maximization (EM) method diagnosed the pattern of missing data. According to Kline (2005), most methods in dealing with incomplete observations assume that data loss pattern is ignorable, missing at random (MAR), or missing completely at random (MCAR).\textsuperscript{17} Little’s MCAR test\textsuperscript{18} was not significant ($\chi^2=68.95$, $p=.90$), indicating that missing data in the present study were MCAR.

\textsuperscript{16}Univariate outliers were detected by observing the standardized values ($z$-scores) of the subjects generated from descriptive statistics available in SPSS. Multivariate outliers were detected by comparing the Mahalanobis distance with the critical point at $\alpha=.001$ of the Chi-Square distribution with degrees of freedom of number of independent variables plus one (An, 2011, personal communication).

\textsuperscript{17}MAR means that the presence and absence of data on a certain variable is unrelated to any other variables. MCAR is just a stronger assumption about the randomness of data loss than MAR (Kline, 2005).

\textsuperscript{18}Little’s MCAR test is a statistic that is available in the most recent version of SPSS to diagnose the pattern of missing data. If Little’s MCAR test result is not significant ($H_0$: Missing data is MCAR), the null hypothesis is accepted, which means the missing data are MCAR.
Vriens and Melton (2002), cited in Kline (2005) concluded three general methods for dealing with missing data, available case methods (e.g., listwise and pairwise deletions), simple imputation (mean substitution, regression-based, and random-hot-deck imputation), and model-based imputation (e.g., expectation-maximization algorithm).

Available case methods analyze only the data available through the deletion of cases with missing values. However, listwise deletion (i.e., excluding the case with missing values) can substantially reduce the sample size, whereas pairwise deletion (i.e., cases are excluded only if they have missing data on variables in a particular computation) may result in nonpositive definite covariance that causes estimations with a computer to fail (Kline, 2005). Simple imputation methods, such as mean substitution, replaces a missing score with the overall sample average; however, it tends to distort the underlying distribution of the data (Kline, 2005; Vriens & Melton, 2002). Gold and Bentler (2009) compared structural model-based imputation, EM method,\textsuperscript{19} with other simple imputation methods, such as regression-based and random hot-deck imputation. The authors concluded that EM is favored over others regardless of the sample size, proportion of data missing, and distributional characteristics of the data because it imposes the imputed data for maximum likelihood estimation, providing good estimators of the data, $\mathbf{S}$, even under violation

\textsuperscript{19} The EM method includes two steps. In the E (estimation) step, missing data are imputed by predicted scores in a series of regressions, where each missing variable is regressed on the remaining variables for a particular case. In the M (maximization) step, the whole imputed data is submitted for maximum likelihood estimation. The two steps are repeated until a stable solution is reached (Kline, 2005).
of normality. Therefore, the present study used the EM approach to compute and impute missing data before all multivariate analyses.

**Statistical procedures for data analysis**

According to Kline (2005), structural equation modeling (SEM) is a technique that can be applied to both non-experimental and experimental data to verify *a priori* models comprised of latent variables or a mix of latent and observable variables. Thus, in the present study, structural SEM was used as the primary statistical method to test the hypothesized model. Additionally, a multivariate analysis of variance (MANOVA) was conducted to examine whether and how demographic variables (i.e., gender, education level, and level of position) influence the examined variables.

In structural equation modeling, a two-step latent variable modeling approach was used, which included 1) an assessment of the construct validity of the measurement model using confirmatory factor analysis (CFA), and 2) an assessment of the structural regression model (SRM). The measurement model was imposed by allowing the latent variables to covary. The causal links between variables were specified in the structural model. The structural model was imposed for data-model fit and compared with another competing nested model.

**Criteria for evaluating statistical results**

SEM was conducted using SPSS AMOS 19.0 software. Multiple criteria were used to evaluate the goodness of model fit, including the comparative fit index (CFI), the root mean square error of approximation (RMSEA), and standardized root mean square residual (SRMR) indices, which are described as a minimal set of fit indexes.
that should be reported and interpreted when reporting the results of SEM analyses (Kline, 2005). According to Kline (2005), a single fit index reflects only a particular aspect of model fit and a favorable value of that index does not by itself indicate good fit. There is no single “magic index” that provides a gold standard for all models. The chi-square is the most commonly reported measure of model-data fit. However, it is strongly dependent on the sample size (Kline, 2005). Therefore, the present study used the above multiple criteria.

**Ethical Concerns**

In the present study, ethical principles as discussed by different scholars (Fowler, 2009; Stacks, 2010; Wrench, *et al.*, 2008) were taken into consideration. These principles include informed consent, anonymity and confidentiality, voluntary participation, and benefits and rewards. Before data collection, the University of Miami Institutional Review Board (IRB) approved the proposal of the present study.

Potential participant companies were briefed about the purpose of the research. Moreover, these companies were assured of anonymity and confidentiality during the initial interaction in inviting their participation. In return, the participant companies were to receive an executive summary of the research and free consultancy based on request upon completion of the study.

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20 According to Kline (2005) and Hu and Bentler (1999), a cutoff value close to .95 for CFI (i.e., Comparative Fit Index), TLI (i.e., Tucker-Lewis index); a cutoff value close to .08 for SRMR (i.e., standardized root mean square residual); and a cutoff value close to .06 for RMSEA (i.e., root mean square error of approximation) indicates good fit between the hypothesized model and the observed data. Additionally, according to Hu and Bentler’s joint cutoff criteria, a SEM model with CFI, TLI ≥ .95 and SRMR < .10 or RMSEA ≤ .06 and SRMR ≤ .10 can suggest that the fit between the data and the proposed model is reasonable.
Employee participants were informed of the following in the cover letter attached to the online questionnaire (see Appendix B). The information included 1) the name and affiliation of the researcher, 2) the purpose of research, 3) assurance of confidentiality of their responses and anonymous participation, 4) assurance of voluntary participation, 5) assurance of free withdrawal without penalty, and 6) contact information of the researcher in case respondents have questions or are interested in the research findings.

To protect respondents, no identifiable information was included in the questionnaire except for basic demographic information, such as gender, age, education level, and work tenure. Only the researcher had access to the data set, which is protected in a passcode-safeguarded folder in the computer. Five years after publishing the results of this research, the data will be destroyed to prevent any misuse.
CHAPTER 4

RESULTS

The purpose of this study was to investigate the link between organizational leadership style and internal public relations effectiveness. In particular, a causal model was tested examining how transformational and authentic leadership affect the practice of symmetrical and transparent communication, as well as employee outcomes. The study also proposed employee engagement as a new outcome of internal communication, and examined its impact on organization–employee relationship and internal reputation. For this purpose, an online survey of employees working in a variety of medium and large corporations in the United States was conducted. This chapter reports on the demographic information of the sample, the descriptions of variables, the results of structural equation modeling analysis, the hypotheses testing, as well as the findings from the research questions.

Descriptions of the Sample and Variables

To ensure the representation of the participants, probability sampling methods (i.e., stratified and quota random sampling) were applied to recruit respondents, with age, gender, and corporation size as quota variables. The survey generated a total of 402 complete and valid responses. In the following, first, the descriptive statistics are presented; then, the possible effects of the demographic variables are explored.

Demographic Information of the Participants

Among the 402 respondents, 183 were male (45.5 percent) and 219 were female (54.5 percent), as shown in Table 4.1.
Table 4.1. Gender of Research Participants (n=402)

<table>
<thead>
<tr>
<th></th>
<th>n</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>183</td>
<td>45.5</td>
</tr>
<tr>
<td>Female</td>
<td>219</td>
<td>54.5</td>
</tr>
</tbody>
</table>

The respondents represented different age groups (see Table 4.2). The frequency for each age range includes 25 and under (n=72; 17.9 percent), 26 to 35 (n=51; 12.7 percent), 36 to 45 (n=81; 20.1 percent), 46 and 55 (n=87; 21.6 percent), 56 and 64 (n=71, 17.7 percent), and 65 and over (n=40; 10.0 percent).

Table 4.2. Age of Research Participants (n=402)

<table>
<thead>
<tr>
<th>Age Range</th>
<th>n</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 and under</td>
<td>72</td>
<td>17.9</td>
</tr>
<tr>
<td>26 to 35</td>
<td>51</td>
<td>12.7</td>
</tr>
<tr>
<td>36 to 45</td>
<td>81</td>
<td>20.1</td>
</tr>
<tr>
<td>46 to 55</td>
<td>87</td>
<td>21.6</td>
</tr>
<tr>
<td>56 to 64</td>
<td>71</td>
<td>17.7</td>
</tr>
<tr>
<td>65 and over</td>
<td>40</td>
<td>10.0</td>
</tr>
</tbody>
</table>

Regarding the survey participants’ education levels, 128 respondents held a Bachelor’s Degree (31.8 percent), followed by Some College (n=109, 27.1 percent), a Master’s Degree (n=75, 18.7 percent), Vocational Level (n=43, 10.7 percent), No College (n=31, 7.7 percent), and a Doctoral Degree (n=16, 4.0 percent (see Table 4.3).
Table 4.3. Education Level of Research Participants (n=402)

<table>
<thead>
<tr>
<th>Education Level</th>
<th>n</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No College (Secondary Education or below)</td>
<td>31</td>
<td>7.7</td>
</tr>
<tr>
<td>Vocational Level (including Diploma, Higher Diploma and Associate Degree)</td>
<td>43</td>
<td>10.7</td>
</tr>
<tr>
<td>Some College</td>
<td>109</td>
<td>27.1</td>
</tr>
<tr>
<td>A Bachelor’s Degree</td>
<td>128</td>
<td>31.8</td>
</tr>
<tr>
<td>A Master’s Degree</td>
<td>75</td>
<td>18.7</td>
</tr>
<tr>
<td>A Doctoral Degree</td>
<td>16</td>
<td>4.0</td>
</tr>
</tbody>
</table>

Respondents’ income levels, as shown in Table 4.4, included the following categories: 0 to $29,999 (n=89, 22.1 percent), $30,000 to $69,999 (n=157, 39.1 percent), $70,000 to $109,999 (n=85, 21.2 percent), $110,000 to $149,999 (n=47, 11.7 percent), $150,000 to $199,999 (n=12, 3.0 percent), and $200,000 and above (n=12, 3.0 percent).

Table 4.4. Annual Income of Research Participants (n=402)

<table>
<thead>
<tr>
<th>Income Range</th>
<th>N</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to $29,999</td>
<td>89</td>
<td>22.1</td>
</tr>
<tr>
<td>$30,000 to $69,999</td>
<td>157</td>
<td>39.1</td>
</tr>
<tr>
<td>$70,000 to $109,999</td>
<td>85</td>
<td>21.2</td>
</tr>
<tr>
<td>$110,000 to $149,999</td>
<td>47</td>
<td>11.7</td>
</tr>
<tr>
<td>$150,000 to $199,999</td>
<td>12</td>
<td>3.0</td>
</tr>
<tr>
<td>$200,000 and above</td>
<td>12</td>
<td>3.0</td>
</tr>
</tbody>
</table>

The respondents were employees working at different position levels in their companies (see Table 4.5). The frequency for each position level includes Top management (n=12, 3.0 percent), Middle-level management (n=76, 18.9 percent), Lower-level management (n=76, 18.9 percent), and Non-management (n=238, 59.2 percent).
Table 4.5. Position Level of Research Participants (n=402)

<table>
<thead>
<tr>
<th>Position Level</th>
<th>N</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top management (excluding CEOs)</td>
<td>12</td>
<td>3.0</td>
</tr>
<tr>
<td>Middle-level management</td>
<td>76</td>
<td>18.9</td>
</tr>
<tr>
<td>Lower-level management</td>
<td>76</td>
<td>18.9</td>
</tr>
<tr>
<td>Non-management</td>
<td>238</td>
<td>59.2</td>
</tr>
</tbody>
</table>

The respondents were from companies of different sizes (see Table 4.6). Among them, 154 (37.8 percent) were from corporations with more than 10,000 employees. The frequency of other categories of company size includes 250 to 500 employees (n=46, 11.4 percent), 501 to 1,000 employees (n=40, 10 percent), 1,001 to 3,000 employees (n=70, 17.4 percent), 3,001 to 5,000 employees (n=40, 10 percent), 5,001 to 7,000 employees (n=26, 6.5 percent), and 7,001 to 10,000 employees (n=28, 7.0 percent).

Table 4.6. Company Size of Research Participants (n=402)

<table>
<thead>
<tr>
<th>Company Size</th>
<th>N</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>250–500 employees</td>
<td>46</td>
<td>11.4</td>
</tr>
<tr>
<td>501–1,000 employees</td>
<td>40</td>
<td>10.0</td>
</tr>
<tr>
<td>1,001–3,000 employees</td>
<td>70</td>
<td>17.4</td>
</tr>
<tr>
<td>3,001–5,000 employees</td>
<td>40</td>
<td>10.0</td>
</tr>
<tr>
<td>5,001–7,000 employees</td>
<td>26</td>
<td>6.5</td>
</tr>
<tr>
<td>7,001–10,000 employees</td>
<td>28</td>
<td>7.0</td>
</tr>
<tr>
<td>more than 10,000 employees</td>
<td>152</td>
<td>37.8</td>
</tr>
</tbody>
</table>

The respondents were from a variety of industries (see Table 4.7) including Education (n=53, 13.2 percent), Retail (n=51, 12.7 percent), Government (n=45, 11.2 percent), Healthcare (n=40, 10 percent), Finance (n=24, 6 percent), Information Technology (n=23, 5.7 percent), Food and Beverage (n=16, 4 percent), Industrial and Manufacturing (n=15, 3.7 percent), Transportation and Logistics (n=10, 2.5 percent),
and Others (e.g., Agriculture, Automotive, Biotechnology, Call Center, Building and Construction, Engineering, Insurance, Mechanical and Machinery, Meetings and Travel, Multimedia, Telecommunications and Wireless, and Trade and Professional Services).  

**Table 4.7. Industries of Research Participants (n=402)**

<table>
<thead>
<tr>
<th>Industry Category</th>
<th>N</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>53</td>
<td>13.2</td>
</tr>
<tr>
<td>Retail</td>
<td>51</td>
<td>12.7</td>
</tr>
<tr>
<td>Government</td>
<td>45</td>
<td>11.2</td>
</tr>
<tr>
<td>Healthcare</td>
<td>40</td>
<td>10.0</td>
</tr>
<tr>
<td>Finance</td>
<td>24</td>
<td>6.0</td>
</tr>
<tr>
<td>Information Technology</td>
<td>23</td>
<td>5.7</td>
</tr>
<tr>
<td>Food and Beverage</td>
<td>16</td>
<td>4.0</td>
</tr>
<tr>
<td>Industrial and Manufacturing</td>
<td>15</td>
<td>3.7</td>
</tr>
<tr>
<td>Transportation and Logistics</td>
<td>10</td>
<td>2.5</td>
</tr>
<tr>
<td>Others</td>
<td>125</td>
<td>31.1</td>
</tr>
</tbody>
</table>

The average work tenure of the respondents in their current companies was approximately 10 years. Of the total number of respondents, 184 (45.8 percent) had less than a five-year company tenure. The frequency of other categories include 6 to 10 years (n=71, 17.7 percent), 11 to 15 years (n=58, 14.4 percent), 16 to 20 years (n=26, 6.5 percent), 21 to 25 years (n=20, 5.0 percent), 26 to 30 years (n=24, 6.0 percent), and above 30 years (n=17, 4.2 percent). According to Ki and Hon (2007) and Kang (2010), having substantial relationships with organizations is crucial to measure organization–public relationship because individual difference in the quality of organization–public relationships is difficult to observe if interactions are minimal.

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21 Industry categories with frequencies of less than 10 cases were included in the category of “Others.”
Descriptions of work durations presented in Table 4.8 indicate that, overall, participants in the present study have substantial relationships with their companies.

**Table 4.8. Work Tenure in the Company (n=400)**

<table>
<thead>
<tr>
<th>Duration</th>
<th>N</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 5 years</td>
<td>184</td>
<td>45.8</td>
</tr>
<tr>
<td>6 to 10 years</td>
<td>71</td>
<td>17.7</td>
</tr>
<tr>
<td>11 to 15 years</td>
<td>58</td>
<td>14.4</td>
</tr>
<tr>
<td>16 to 20 years</td>
<td>26</td>
<td>6.5</td>
</tr>
<tr>
<td>21 to 25 years</td>
<td>20</td>
<td>5.0</td>
</tr>
<tr>
<td>26 to 30 years</td>
<td>24</td>
<td>6.0</td>
</tr>
<tr>
<td>Above 30 years</td>
<td>17</td>
<td>4.2</td>
</tr>
</tbody>
</table>

**Descriptive Statistics for Variables**

This section reports the details of three groups of variables that this study focused on: 1) leadership style (i.e., transformational and authentic leadership); 2) internal communication variables (i.e., symmetrical and transparent communication, communication channels); and 3) employee outcomes (i.e., organization–employee relationship, perceived organizational reputation, and employee engagement).

**Leadership style**

Overall, respondents reported high values for both transformational and authentic leadership styles when asked to rate their leaders (Table 4.9). Transformational leadership (M=5.12, SD=1.27) was found to be slightly more salient than authentic leadership (M=4.89, SD=1.26) in medium and large corporations.

*Transformational leadership* was measured with six items taken from Podsakoff *et al.’s* (1990) Transformational Leadership Inventory (α=.90). Higher values were reported on items described as follows: “make it clear that he/she expects
a lot from us all of the time” (M=5.53, SD=1.42), “show respect for my personal feelings” (M=5.28; SD=1.68), “facilitate the acceptance of group goals” (M=5.15, SD=1.53), and “provide an appropriate model” (M=5.06, SD=1.67), than on “challenge me to think about old problems in new ways” (M=4.86, SD=1.54) and “articulate a vision” (M=4.82, SD=1.55).

As for authentic leadership (α=.96), respondents reported medium to high values across the four dimensions defined by Neider and Schriesheim (2011): self-awareness (M=4.76, SD=1.42), relational transparency (M=5.15, SD=1.41), internalized moral perspective (M=4.92, SD=1.33), and balanced processing (M=4.73, SD=1.39).²²

**Table 4.9. Descriptive Statistics for Leaders’ Style Variables (n=402)**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Items/Dimensions</th>
<th>M</th>
<th>SD</th>
<th>n</th>
<th>α</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational</td>
<td>Articulate a vision</td>
<td>4.82</td>
<td>1.55</td>
<td>402</td>
<td>.90</td>
</tr>
<tr>
<td>Leadership</td>
<td>Provide an appropriate model</td>
<td>5.06</td>
<td>1.67</td>
<td>402</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Facilitate the acceptance of group goals</td>
<td>5.15</td>
<td>1.53</td>
<td>402</td>
<td></td>
</tr>
<tr>
<td></td>
<td>High performance expectation</td>
<td>5.53</td>
<td>1.42</td>
<td>402</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Show respect for personal feelings</td>
<td>5.28</td>
<td>1.68</td>
<td>402</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Think about old problems in new ways</td>
<td>4.86</td>
<td>1.54</td>
<td>402</td>
<td></td>
</tr>
<tr>
<td>Authentic</td>
<td>Self-awareness (3 items, α=.87)</td>
<td>4.76</td>
<td>1.42</td>
<td>402</td>
<td>.96</td>
</tr>
<tr>
<td>Leadership</td>
<td>Relational transparency (4 items, α=.89)</td>
<td>5.15</td>
<td>1.41</td>
<td>402</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Internalized moral perspective (3 items, α=.89)</td>
<td>4.92</td>
<td>1.33</td>
<td>402</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Balanced processing (4 items, α=.90)</td>
<td>4.73</td>
<td>1.39</td>
<td>402</td>
<td></td>
</tr>
</tbody>
</table>

*Note.* aThe number of items used for means. bReliability of each dimension. cReliability of authentic leadership construct.

²² For the sake of brevity, descriptive statistics for composite observed variables were reported instead of those of individual measurement items.
**Internal communication**

Table 4.10 reveals that, overall, the respondents reported higher values on symmetrical communication (M=5.02, SD=1.23) than on transparent communication (M=4.67, SD=1.27). *Symmetrical communication* was measured with four items adapted from Dozier *et al.* (1995, \( \alpha = .86 \)). Higher values were reported on items such as “feel comfortable talking to my manager when things go wrong” (M=5.51, SD=1.45) and “most communication in this company… can be said to be two-way” (M=5.18, SD=1.58) than on “this organization encourages difference of opinion” (M=4.61, SD=1.58) and “purpose of communication in this organization is to help management be responsive to employees” (M=4.79, SD=1.54). For *transparent communication* (\( \alpha = .97 \)), respondents reported the highest values on the dimension of substantial information (M=5.08, SD=1.25), followed by the dimension of participation (M=4.56, SD=1.45) and accountability (M=4.36, SD=1.36).

**Table 4.10. Descriptive Statistics for Internal Communication Characteristics (n=402)**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Dimensions</th>
<th>M</th>
<th>SD</th>
<th>n</th>
<th>( \alpha )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Symmetrical</td>
<td>Two-way communication</td>
<td>5.18</td>
<td>1.58</td>
<td>402</td>
<td>.86</td>
</tr>
<tr>
<td>Symmetrical</td>
<td>Encourage difference of opinions</td>
<td>4.61</td>
<td>1.58</td>
<td>402</td>
<td></td>
</tr>
<tr>
<td>Symmetrical</td>
<td>Purpose of communication is to help</td>
<td>4.79</td>
<td>1.54</td>
<td>402</td>
<td></td>
</tr>
<tr>
<td>Symmetrical</td>
<td>management be responsive to employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Symmetrical</td>
<td>Comfortable talking to manager when things go</td>
<td>5.51</td>
<td>1.45</td>
<td>402</td>
<td></td>
</tr>
<tr>
<td>Symmetrical</td>
<td>wrong</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transparent</td>
<td>Participation (6 items, ( \alpha = .93 ))</td>
<td>4.56</td>
<td>1.45</td>
<td>402</td>
<td>.97</td>
</tr>
<tr>
<td>Transparent</td>
<td>Substantial information (7 items, ( \alpha = .95 ))</td>
<td>5.08</td>
<td>1.25</td>
<td>402</td>
<td></td>
</tr>
<tr>
<td>Transparent</td>
<td>Accountability (5 items, ( \alpha = .89 ))</td>
<td>4.36</td>
<td>1.36</td>
<td>402</td>
<td></td>
</tr>
</tbody>
</table>
**Communication channels**

With regard to internal communication channels, Table 4.11 reveals that the three most commonly used media channels by companies when communicating with employees about new decisions, policies, events, changes, and so on were “e-mail” (f=289, 71.9 percent), “employee meetings” (f=236, 58.7 percent), and “print media such as memos, brochures, newsletters, reports, policy manuals, and posters” (f=153, 38.1 percent). These were followed by other common channels such as “internal communication with my direct manager” (f=135, 33.6 percent), “internal website” (f=131, 32.6 percent), and “phone and voice mail” (f=61, 15.2 percent). Digital channels such as “video conferencing” (f=27, 6.7 percent) and “internal social media” (f=2, .5 percent) were the least commonly used.

In contrast, employees’ three most preferred media channels to receive information from their companies were “e-mail” (f=295, 73. 4 percent), “employee meetings” (f=268, 66.7 percent), and “interpersonal communication with my direct manager” (f=181, 45 percent). These were followed by “print media” (f=154, 38.3 percent) and “internal website” (f=128, 31.8 percent). Frequencies for other communication channels were “phone and voice mail” (f=56, 13.9 percent), video conferencing (f=34, 8.5 percent), and “internal social media” (f=12, 3 percent). The results indicated that the companies’ use of communication channels was generally consistent with employees’ expectations and preferences. However, interpersonal

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23 Respondents were asked to select three most commonly used communication channels by their companies. “f” is reported as the frequency of each communication channel as selected by respondents.
communication with direct managers, a venue most preferred by employees to receive
organizational information, has been not fully utilized by organizations.

Table 4.11. Descriptive Statistics for Corporate Internal Communication
Channels (n=402)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Items</th>
<th>f</th>
<th>Percent</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Communication Channels</td>
<td>E-mail</td>
<td>289</td>
<td>71.9</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>Employee meetings</td>
<td>236</td>
<td>58.7</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>Print media such as memos, brochures, newsletters, reports, policy manuals, and posters</td>
<td>153</td>
<td>38.1</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>Internal communication with my direct manager</td>
<td>135</td>
<td>33.6</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>Internal website</td>
<td>131</td>
<td>32.6</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>Phone and voice mail</td>
<td>61</td>
<td>15.2</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>Video conferencing</td>
<td>27</td>
<td>6.7</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>Internal social media</td>
<td>2</td>
<td>0.5</td>
<td>402</td>
</tr>
<tr>
<td>Employee Preferred Channels to Receive</td>
<td>E-mail</td>
<td>295</td>
<td>73.4</td>
<td>402</td>
</tr>
<tr>
<td>Organizational Information</td>
<td>Employee meetings</td>
<td>268</td>
<td>66.7</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>Internal communication with my direct manager</td>
<td>181</td>
<td>45.0</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>Print media such as memos, brochures, newsletters, reports, policy manuals, and posters</td>
<td>154</td>
<td>38.3</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>Internal website</td>
<td>128</td>
<td>31.8</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>Phone and voice mail</td>
<td>56</td>
<td>13.9</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>Video conferencing</td>
<td>34</td>
<td>8.5</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>Internal social media</td>
<td>12</td>
<td>3.0</td>
<td>402</td>
</tr>
</tbody>
</table>

*Note.* Respondents selected three communication channels for each variable.

As for leadership communication, descriptive statistics for the use of each media
channel are presented in Table 4.12. Results showed that leaders at all levels in medium
and large corporations used “face-to-face interactions” (M= 5.34, SD=1.81) most often
to communicate with employees, followed by “e-mail” (M=4.96, SD=2.21) and “phone
and voice mail” (M=3.76, SD=1.94). “Internal website” (M=2.37, SD=1.77), “instant messengers” (M=2.08, SD=1.69), and “internal social media” (M=1.47, SD=1.07) were reported as the channels least used in leadership communication. When asked to what extent employees prefer to use these channels to communicate with their managers, similar patterns were reported. Employees most prefer “face-to-face interactions” with their leaders (M=6.09, SD=1.37) followed by “e-mail” (M=5.25, SD=1.86) and “phone and voice mail” (M=4.23, SD=1.97). “Internal instant messenger” (M=2.44, SD=1.85), “internal website” (M=2.41, SD=1.74), and “internal social media” (M=1.62, SD=1.25) were reported to be less preferred.

### Table 4.12. Descriptive Statistics for Leader Communication Channels (n=402)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Items</th>
<th>M</th>
<th>SD</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader Communication Channels</td>
<td>Face-to-face interactions</td>
<td>5.34</td>
<td>1.81</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>E-mail</td>
<td>4.96</td>
<td>2.21</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>Phone and voice mail</td>
<td>3.76</td>
<td>1.94</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>Internal website</td>
<td>2.27</td>
<td>1.77</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>Internal instant messengers</td>
<td>2.08</td>
<td>1.69</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>Internal social media</td>
<td>1.47</td>
<td>1.07</td>
<td>402</td>
</tr>
<tr>
<td>Employee Preferred Channels to Communicate with Leaders</td>
<td>Face-to-face interactions</td>
<td>6.09</td>
<td>1.37</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>E-mail</td>
<td>5.25</td>
<td>1.86</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>Phone and voice mail</td>
<td>4.23</td>
<td>1.97</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>Internal instant messengers</td>
<td>2.44</td>
<td>1.85</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>Internal website</td>
<td>2.41</td>
<td>1.74</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>Internal social media</td>
<td>1.62</td>
<td>1.25</td>
<td>402</td>
</tr>
</tbody>
</table>

**Employee outcomes**

As shown in Table 4.13, respondents in general reported medium to slightly high values across the four dimensions of organization–employee relationship (α=.97) as defined by J. Grunig and Hon (1999): trust (M=4.39, SD=1.36), control mutuality (M=4.21, SD=1.43), commitment (M=4.71, SD=1.50), and satisfaction (M=5.10,
SD=1.50). Additionally, on average, respondents’ evaluation of their companies’ overall reputation ($\alpha=.95$) was positive ($M=5.23$, $SD=1.17$). Regarding employees’ level of engagement ($\alpha=.96$), respondents reported higher values on the aspect of positive affectivity ($M=4.92$) than on employee empowerment ($M=4.37$, $SD=1.47$).

**Table 4.13. Descriptive Statistics for Employee Outcomes ($n=402$)**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Dimensions</th>
<th>M</th>
<th>SD</th>
<th>N</th>
<th>$\alpha$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization-Employee</td>
<td>Trust (5 items, $\alpha=.89$)</td>
<td>4.39</td>
<td>1.36</td>
<td>402</td>
<td>.97</td>
</tr>
<tr>
<td>Relationship</td>
<td>Control mutuality (4 items, $\alpha=.93$)</td>
<td>4.21</td>
<td>1.43</td>
<td>402</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitment (4 items, $\alpha=.91$)</td>
<td>4.71</td>
<td>1.50</td>
<td>402</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Satisfaction (4 items, $\alpha=.96$)</td>
<td>5.10</td>
<td>1.50</td>
<td>402</td>
<td></td>
</tr>
<tr>
<td>Perceived</td>
<td>Overall reputation (12 items)</td>
<td>5.23</td>
<td>1.17</td>
<td>402</td>
<td>.95</td>
</tr>
<tr>
<td>Organizational Reputation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Engagement</td>
<td>Positive Affectivity (7 items, $\alpha=.95$)</td>
<td>4.92</td>
<td>1.34</td>
<td>402</td>
<td>.96</td>
</tr>
<tr>
<td></td>
<td>Empowerment (5 items, $\alpha=.92$)</td>
<td>4.37</td>
<td>1.47</td>
<td>402</td>
<td></td>
</tr>
</tbody>
</table>

**Effects of Demographic Variables**

A series of t-tests, ANOVAs, and MANOVAs were conducted to examine how demographic variables such as the respondent’s age, gender, education level, income level, industry type, company tenure, and position level may influence examined variables. Results, as presented in Table 4.14, illustrate that male respondents reported significantly higher values than females on the aspects of control mutuality [$t(400)=2.56$, $p=.01$], empowerment [$t(400)=3.41$, $p=.001$], and engagement level [$t(400)=2.76$, $p=.006$]. Employees from medium-sized organizations were overall more engaged than those from large corporations [$F(7, 394)=2.57$, $p=.013$, $R$ squared = .027]. In general, higher-income level employees were more engaged than lower-income level employees [$F(10, 391)=2.19$, $p=.018$, $R$ squared = .029].
Management in general reported higher values on the companies’ symmetrical communication \(t(400)=3.00, p=.003\) and transparent communication \(t(400)=3.75, p<.001\), and perceived better organization–employee relationships \(t(400)=3.69, p<.001\) and higher engagement level \(t(400)=6.12, p<.001\) than non-management employees. Higher-level leaders were also found more likely to demonstrate a transformational \(F(3, 398)=6.06, p<.001\) and authentic leadership style \(F(3, 398)=5.77, p=.001\) than lower-level leaders. Detailed comparisons are presented in Table 4.14.\(^{24}\)

<table>
<thead>
<tr>
<th>Demographic Variables</th>
<th>Dependent Variables</th>
<th>(t/F)</th>
<th>Level</th>
<th>N</th>
<th>M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Control mutuality</td>
<td>2.56*</td>
<td>Female</td>
<td>219</td>
<td>4.04</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Male</td>
<td>183</td>
<td>4.40</td>
</tr>
<tr>
<td>Empowerment</td>
<td></td>
<td>3.41***</td>
<td>Female</td>
<td>219</td>
<td>4.15</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Male</td>
<td>183</td>
<td>4.64</td>
</tr>
<tr>
<td>Engagement</td>
<td></td>
<td>2.76**</td>
<td>Female</td>
<td>219</td>
<td>4.48</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Male</td>
<td>183</td>
<td>4.85</td>
</tr>
<tr>
<td>Corporation Size</td>
<td>Engagement</td>
<td>5.23**</td>
<td>&lt;500 employees</td>
<td>46</td>
<td>5.32</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>501-1,000 employees</td>
<td>40</td>
<td>4.69</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,001-3,000 employees</td>
<td>70</td>
<td>4.59</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3,001-5,000 employees</td>
<td>40</td>
<td>4.90</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>5,001-7,000 employees</td>
<td>26</td>
<td>4.52</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7,001-10,000 employees</td>
<td>28</td>
<td>4.29</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>&gt;10,000 employees</td>
<td>152</td>
<td>4.49</td>
</tr>
</tbody>
</table>

\(^{24}\) Considering that the effects of the demographic variables on examined variables were small, for model parsimony, the demographic variables were not included in the structural equation modeling analysis.
### Table 4.14 (continued)

<table>
<thead>
<tr>
<th>Demographic Variables</th>
<th>Dependent Variables</th>
<th>t/F</th>
<th>Level</th>
<th>N</th>
<th>M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Level</td>
<td>Engagement</td>
<td>2.19**</td>
<td>0 to $29,999</td>
<td>89</td>
<td>4.26</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$30,000 to $69,999</td>
<td>157</td>
<td>4.63</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$70,000 to $109,999</td>
<td>85</td>
<td>4.73</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$110,000 to $149,999</td>
<td>47</td>
<td>4.97</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$150,000 to $199,999</td>
<td>12</td>
<td>5.20</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$200,000 and above</td>
<td>12</td>
<td>5.37</td>
</tr>
<tr>
<td>Employee’s Level of Position</td>
<td>Symmetrical communication</td>
<td>3.00**</td>
<td>Non-management</td>
<td>238</td>
<td>4.86</td>
</tr>
<tr>
<td></td>
<td>Transparent communication</td>
<td>3.75***</td>
<td>Management</td>
<td>164</td>
<td>5.25</td>
</tr>
<tr>
<td></td>
<td>Organization-employee relationship</td>
<td>3.69***</td>
<td>Non-management</td>
<td>238</td>
<td>4.47</td>
</tr>
<tr>
<td></td>
<td>Engagement</td>
<td>6.12***</td>
<td>Management</td>
<td>164</td>
<td>4.95</td>
</tr>
<tr>
<td>Manager’s Level of Position</td>
<td>Transformational leadership</td>
<td>6.06***</td>
<td>Top management</td>
<td>94</td>
<td>5.56</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Middle-level management</td>
<td>187</td>
<td>5.07</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Lower-level management</td>
<td>110</td>
<td>4.84</td>
</tr>
<tr>
<td></td>
<td>Authentic leadership</td>
<td>5.77***</td>
<td>Top management</td>
<td>94</td>
<td>5.34</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Middle-level management</td>
<td>187</td>
<td>4.81</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Lower-level management</td>
<td>110</td>
<td>4.66</td>
</tr>
</tbody>
</table>

Note. * p<.05; **p<.01; ***p<.001

### Structural Equation Modeling Analysis

Now that the characteristics of the sample and the descriptive statistics of the variables in the hypothesized model have been explained, this section turns to the results of the structural equation modeling analysis. Using Amos 19.0, the causal relationships were examined between transformational leadership style, a
unidimensional variable; authentic leadership style, a latent variable with four indicators (self-awareness, relational transparency, internalized moral perspective, balanced processing); symmetrical communication, a unidimensional variable; transparent communication, a latent variable with three indicators (substantial information, participation, accountability); organization–employee relationship, a latent variable with four indicators (trust, control mutuality, commitment, and satisfaction); perceived organizational reputation, a unidimensional variable; and employee engagement, a latent variable with two indicators (positive affectivity and employee empowerment).

**Data Reduction**

Before testing the hypothesized model in SEM, the data were reduced to composite variables using mean scores.\(^{25}\) As shown in Table 4.15, perceived organizational reputation has the highest mean (M=5.23, SD=1.17) and control mutuality has the lowest mean (M= 4.21, SD=1.43). The correlations between the 16 measured variables range from \(r=0.87\) (Satisfaction, Commitment) to \(r=0.45\) (Employee Empowerment, Relational Transparency). All the correlations are significant at the \(p<.01\) level.

\(^{25}\) Mean score was used rather than factor scores to form composite variables for the merit of retaining the original measurement units.
Table 4.15. Correlation Matrix of Measured Variables with Descriptive Statistics

<table>
<thead>
<tr>
<th>Measured Variable</th>
<th>M (SD)</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>14</th>
<th>15</th>
<th>16</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Transformational leadership</td>
<td>5.12 (1.27)</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Self-awareness</td>
<td>4.76 (1.41)</td>
<td>.78</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Relational transparency</td>
<td>5.15 (1.41)</td>
<td>.78</td>
<td>.77</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Internalized moral perspective</td>
<td>4.92 (1.33)</td>
<td>.77</td>
<td>.75</td>
<td>.78</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Balanced processing</td>
<td>4.73 (1.39)</td>
<td>.77</td>
<td>.80</td>
<td>.77</td>
<td>.75</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Symmetrical communication</td>
<td>5.02 (1.23)</td>
<td>.70</td>
<td>.64</td>
<td>.65</td>
<td>.62</td>
<td>.71</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Substantial information</td>
<td>5.08 (1.25)</td>
<td>.60</td>
<td>.51</td>
<td>.55</td>
<td>.54</td>
<td>.56</td>
<td>.69</td>
<td>1</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Participation</td>
<td>4.56 (1.45)</td>
<td>.65</td>
<td>.58</td>
<td>.57</td>
<td>.56</td>
<td>.65</td>
<td>.79</td>
<td>.83</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Accountability</td>
<td>4.36 (1.36)</td>
<td>.65</td>
<td>.56</td>
<td>.57</td>
<td>.58</td>
<td>.64</td>
<td>.72</td>
<td>.79</td>
<td>.81</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Trust</td>
<td>4.39 (1.36)</td>
<td>.68</td>
<td>.58</td>
<td>.60</td>
<td>.60</td>
<td>.63</td>
<td>.71</td>
<td>.75</td>
<td>.75</td>
<td>.80</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Control mutuality</td>
<td>4.21 (1.43)</td>
<td>.59</td>
<td>.55</td>
<td>.57</td>
<td>.55</td>
<td>.61</td>
<td>.67</td>
<td>.72</td>
<td>.79</td>
<td>.78</td>
<td>.83</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Commitment</td>
<td>4.71 (1.50)</td>
<td>.64</td>
<td>.55</td>
<td>.54</td>
<td>.58</td>
<td>.59</td>
<td>.67</td>
<td>.69</td>
<td>.72</td>
<td>.72</td>
<td>.81</td>
<td>.82</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Satisfaction</td>
<td>5.10 (1.50)</td>
<td>.68</td>
<td>.62</td>
<td>.63</td>
<td>.64</td>
<td>.66</td>
<td>.74</td>
<td>.71</td>
<td>.73</td>
<td>.73</td>
<td>.80</td>
<td>.77</td>
<td>.87</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Reputation</td>
<td>5.23 (1.17)</td>
<td>.65</td>
<td>.52</td>
<td>.57</td>
<td>.56</td>
<td>.58</td>
<td>.67</td>
<td>.70</td>
<td>.70</td>
<td>.71</td>
<td>.82</td>
<td>.69</td>
<td>.79</td>
<td>.84</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Positive affectivity</td>
<td>4.92 (1.34)</td>
<td>.64</td>
<td>.57</td>
<td>.55</td>
<td>.59</td>
<td>.59</td>
<td>.66</td>
<td>.65</td>
<td>.69</td>
<td>.70</td>
<td>.76</td>
<td>.71</td>
<td>.78</td>
<td>.82</td>
<td>.78</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>16. Employee empowerment</td>
<td>4.37 (1.47)</td>
<td>.50</td>
<td>.47</td>
<td>.45</td>
<td>.47</td>
<td>.53</td>
<td>.57</td>
<td>.58</td>
<td>.67</td>
<td>.65</td>
<td>.67</td>
<td>.73</td>
<td>.67</td>
<td>.64</td>
<td>.60</td>
<td>.78</td>
<td>1</td>
</tr>
</tbody>
</table>

*Note.* Correlations for all variables are significant at $p < .001.$
**Confirmatory Factor Analysis**

The analysis and interpretation of the hypothesized model was a two-stage process: (1) an assessment of the construct validity of the measurement model using confirmatory factor analysis (CFA) and (2) an assessment of the structural model. First, in the measurement phase, an initial CFA was conducted by allowing all the latent variables to covariate. The test of the initial measurement model indicated an adequate (but not good) fit to the data: $\chi^2(86) = 488.51, p < .001, \chi^2/df = 5.68$, RMSEA = .10 (90% confidence interval: .09–.12), SRMR = .03, TLI = .92, and CFI = .95. Then, the model was modified accordingly.

According to Byrne (2009, p.111), “forcing large error terms to be uncorrelated is rarely appropriate with real data.” Furthermore, allowing error covariance within the same construct can sometimes explain content redundancy. Following this line of thinking and based on model modification indices, the model was modified by adding error covariance between commitment and satisfaction, and control mutuality and empowerment as depicted in Figure 4.1. By this modification, data–model fit was improved substantially ($\Delta \chi^2 = 98.94, \Delta df = 2, p < .001$) and the modified model demonstrated a satisfactory fit to the data: $\chi^2(84) = 389.57, p < .001$, $\chi^2/df = 4.64$, RMSEA = .09 (90% confidence interval: .08–.10), SRMR = .03, TLI = .94, and CFI = .96. Thus, it was retained as the final CFA model (see Figure 4.1). Factor loadings between latent variables and their indicators are presented in Table 4.16. All factor loadings in the CFA model were significant at the $p < .001$ level, ranging

---

26 Error covariance between relational commitment and satisfaction was added because commitment and satisfaction were found to be correlated in other ways in previous research, such as job satisfaction and commitment (e.g., Judge & Piccolo, 2004). Error covariance between control mutuality and empowerment was added because both factors are related with the concept of power outside of the tested model.

27 According to Kline (2005) and Hu and Bentler (1999), a cutoff value close to .95 for Comparative Fit Index (i.e., CFI), Tucker–Lewis index (i.e., TLI); a cutoff value close to .08 for standardized root mean square residual (i.e., SRMR); and a cutoff value close to .06 for root mean square error of approximation (i.e., RMSEA) indicates a good fit between the hypothesized model and the observed data. Additionally, according to Hu and Bentler’s joint cutoff criteria, a SEM model with CFI, TLI ≥ .95, and SRMR <.10 suggests that the fit between the data and the proposed model is tenable.
from .82 (from employee engagement to empowerment) to .97 (from employee engagement to positive affectivity).

Table 4.16. Standardized Coefficient of Measurement Indicators in the Final CFA Model (n=402)

<table>
<thead>
<tr>
<th>Latent Variable</th>
<th>Indicator Variable</th>
<th>Std. Loading</th>
<th>α</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authentic leadership</td>
<td>Self-awareness</td>
<td>.88</td>
<td>.96</td>
</tr>
<tr>
<td></td>
<td>Relational transparency</td>
<td>.88</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Internalized moral perspective</td>
<td>.86</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Balanced processing</td>
<td>.89</td>
<td></td>
</tr>
<tr>
<td>Transparent communication</td>
<td>Substantial information</td>
<td>.88</td>
<td>.97</td>
</tr>
<tr>
<td></td>
<td>Participation</td>
<td>.93</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Accountability</td>
<td>.89</td>
<td></td>
</tr>
<tr>
<td>Relationship</td>
<td>Trust</td>
<td>.92</td>
<td>.97</td>
</tr>
<tr>
<td></td>
<td>Control mutuality</td>
<td>.88</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitment</td>
<td>.90</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Satisfaction</td>
<td>.91</td>
<td></td>
</tr>
<tr>
<td>Employee engagement</td>
<td>Positive affectivity</td>
<td>.98</td>
<td>.96</td>
</tr>
<tr>
<td></td>
<td>Empowerment</td>
<td>.80</td>
<td></td>
</tr>
</tbody>
</table>

Note. All standardized factor loadings are significant at $p<.001$. 
Figure 4.1. Results of the measurement model with standardized path coefficients.
Note: $\chi^2(84, n=402)=389.57, p<.001$, SRMR=.03, TLI=.94, RMSEA=.09 (90% Confidence Interval: .08, .10), and CFI=.96. All paths are significant at ***$p < .001$. 
In addition to the factor loadings between indicators and latent variables, Table 4.17 reports the correlations between latent variables and between error variances. The correlations between authentic leadership, transformational leadership, transparent communication, symmetrical communication, organization–employee relationship, perceived organizational reputation, and employee engagement range from .64 to .91. The error variance correlation between commitment and satisfaction was .30, and that between control mutuality and empowerment was .46.

Table 4.17. Correlations between Factors and Error Variances in the Final CFA Model (n=402)

<table>
<thead>
<tr>
<th>Correlated Factor/Error Variance</th>
<th>r</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authentic leadership</td>
<td>Transformational leadership</td>
</tr>
<tr>
<td>Authentic leadership</td>
<td>Symmetrical communication</td>
</tr>
<tr>
<td>Authentic leadership</td>
<td>Transparent communication</td>
</tr>
<tr>
<td>Authentic leadership</td>
<td>Organization–employee relation</td>
</tr>
<tr>
<td>Authentic leadership</td>
<td>Perceived organizational reputation</td>
</tr>
<tr>
<td>Authentic leadership</td>
<td>Employee engagement</td>
</tr>
<tr>
<td>Transformational leadership</td>
<td>Symmetrical communication</td>
</tr>
<tr>
<td>Transformational leadership</td>
<td>Transparent communication</td>
</tr>
<tr>
<td>Transformational leadership</td>
<td>Organization–employee relation</td>
</tr>
<tr>
<td>Transformational leadership</td>
<td>Perceived organizational reputation</td>
</tr>
<tr>
<td>Transformational leadership</td>
<td>Employee engagement</td>
</tr>
<tr>
<td>Symmetrical communication</td>
<td>Transparent communication</td>
</tr>
<tr>
<td>Symmetrical communication</td>
<td>Organization–employee relation</td>
</tr>
<tr>
<td>Symmetrical communication</td>
<td>Perceived organizational reputation</td>
</tr>
<tr>
<td>Symmetrical communication</td>
<td>Employee engagement</td>
</tr>
<tr>
<td>Transparent communication</td>
<td>Organization–employee relation</td>
</tr>
<tr>
<td>Transparent communication</td>
<td>Perceived organizational reputation</td>
</tr>
<tr>
<td>Transparent communication</td>
<td>Employee engagement</td>
</tr>
<tr>
<td>Organization–employee relationship</td>
<td>Perceived organizational reputation</td>
</tr>
<tr>
<td>Organization–employee relationship</td>
<td>Employee engagement</td>
</tr>
<tr>
<td>Perceived organizational reputation</td>
<td>Employee engagement</td>
</tr>
<tr>
<td>Error variance of commitment</td>
<td>Error variance of satisfaction</td>
</tr>
<tr>
<td>Error variance of control mutuality</td>
<td>Error variance of empowerment</td>
</tr>
</tbody>
</table>

Note: All standardized coefficients are significant at $p < .001$. 
The good fit of the CFA model indicated satisfactory construct validity of the latent variables. Before moving on to the second step of the structural equation modeling analysis and structural model analysis, a series of CFA analysis was conducted to examine the discriminant validity of two strategic leadership styles (i.e., transformational leadership and authentic leadership) showing high zero-order correlation but were not proposed to be causally related in this study. As shown in Tables 4.18, the two-factor model of leadership style fits significantly better than the one-factor model, ($\Delta \chi^2=76.08, \Delta df=1, p < .001$). Therefore, although there are theoretical similarities (as discussed in Chapter 2), the discriminant validity of transformational and authentic leadership was warranted with empirical evidence.

Table 4.18. Data–Model Fits for Discriminant Validity Analysis for Transformational and Authentic Leadership (n=402)

<table>
<thead>
<tr>
<th>Model</th>
<th>$\chi^2$</th>
<th>df</th>
<th>P</th>
<th>$\chi^2$/df</th>
<th>CFI</th>
<th>TLI</th>
<th>SRMR</th>
<th>RMSEA*</th>
<th>$\Delta \chi^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-factor leadership style</td>
<td>237.67</td>
<td>35</td>
<td>.001</td>
<td>6.79</td>
<td>.94</td>
<td>.92</td>
<td>.04</td>
<td>.12</td>
<td>(.11, .13)</td>
</tr>
<tr>
<td>Two-factor leadership style</td>
<td>161.59</td>
<td>34</td>
<td>.001</td>
<td>4.75</td>
<td>.96</td>
<td>.95</td>
<td>.03</td>
<td>.09</td>
<td>76.08 ***</td>
</tr>
</tbody>
</table>

Note: *90% confidence interval (low, high). ***$p<.001$.

Structural Model Analysis

The multivariate normality assumption of SEM was evaluated in AMOS before the hypothesized model was estimated. Results indicated that the sample data showed a significant positive multivariate kurtosis. Therefore, bootstrapping (N=2,000 samples) using maximum likelihood method was performed to address the

28 In the two-factor model of leadership style, transformational leadership and authentic leadership were treated as separate constructs that covary with each other. In the one-factor model, transformational leadership and authentic leadership were combined under the same latent variable labeled as “strategic leadership.”

29 A significant correlation between transformational and authentic leadership was expected due to their conceptual overlap in terms of leader’s concern for employees’ wellbeing and open communication. Each leadership style explains a part of the effective or strategic leadership traits and behaviors (Yukl, 2010).

30 According to Kline (1998) and Byrne (2001), bootstrapping is a procedure in which one takes repeated, smaller random samples of an existing sample to develop empirical estimates of standard errors of any parameter. Bootstrapping is a common procedure used to address multivariate non-normality issues.
multivariate non-normality of the data. The bootstrap parameter estimations did not deviate from those based on normal theory, indicating that the significant results in Figure 4.2 remained significant in the bootstrapping process and the non-significant results remained non-significant.

The hypothesized structural model displayed in Figure 4.2 demonstrates adequate fit to the data: $\chi^2(131) = 515.16, p < .001$, $\chi^2/df = 3.93$, RMSEA = .08 (.08–.09), SRMR = .03, TLI = .94, and CFI = .95.\(^{31}\) Eight structural paths demonstrated significant results at either $p < .05$ or $p < .001$ level.

Figure 4.2. Results of the hypothesized model. Coefficients are standardized regression weights. For the sake of brevity, only the path model is demonstrated. The CFA model pattern coefficients, error terms of indicators, and disturbances of endogenous variables were omitted from the figure. *$p < .05$. ***$p < .001$.

\(^{31}\) The measurement error of symmetrical communication was disattenuated for more accurate parameter estimation because its reliability was not as high as other observed variables in the model ($\alpha = .86$). According to Kline (2005) and Hu and Bentler (1999), a cutoff value close to .95 for CFI and TLI (i.e., Tucker-Lewis index), a cutoff value close to .08 for SRMR, and a cutoff value close to .06 for RMSEA indicate good fit between the hypothesized model and the observed data. Additionally, according to Hu and Bentler’s joint cutoff criteria, a SEM model with CFI, TLI $\geq .95$ and SRMR $< .10$ or RMSEA $\leq .06$ and SRMR $\leq .10$ can suggest reasonable fit between the data and the proposed model.
Then for parsimony, the hypothesized model was simplified by eliminating non-significant paths. According to Kline (2004), models can be trimmed according to empirical considerations such as statistical significance. The simplified model (as shown in Figure 4.3) was recalculated and compared to the hypothesized model via nested model comparison. Results showed that the hypothesized model did not have significantly better fit than the simplified model: $\Delta \chi^2 (12, N = 402) = 18.52, p = .101$. In fact, based on Hu and Bentler’s (1999) joint criteria, the simplified model demonstrated better fit to the data than the hypothesized model: $\chi^2(143) = 533.68, p<.001, \chi^2/df=3.73$, RMSEA=.08 (.07–.09), SRMR=.03, TLI=.94, and CFI=.95. Therefore, the more parsimonious model was retained as the final model to interpret path coefficients. The model fit indices of the initial and final CFA models, as well as the hypothesized structural and simplified final structural models are presented in Table 4.19.

![Figure 4.3. Results of the simplified model with significant path coefficients. Coefficients are standardized regression weights. For the sake of brevity, the CFA model pattern coefficients and error terms of indicators were omitted from the figure. **p<.01. *** p<.001.](image-url)
Table 4.19. Data-Model Fits for Two-Step Structural Equation Modeling (n=402)

<table>
<thead>
<tr>
<th>Model</th>
<th>χ²</th>
<th>Df</th>
<th>p</th>
<th>χ²/df</th>
<th>CFI</th>
<th>TLI</th>
<th>SRMR</th>
<th>RMSEA^a</th>
<th>Δ χ²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial CFA Model</td>
<td>488.51</td>
<td>86</td>
<td>.001</td>
<td>5.68</td>
<td>.95</td>
<td>.92</td>
<td>.03</td>
<td>.10 (.09, .12)</td>
<td></td>
</tr>
<tr>
<td>Final CFA Model</td>
<td>389.57</td>
<td>84</td>
<td>.001</td>
<td>4.64</td>
<td>.96</td>
<td>.94</td>
<td>.03</td>
<td>.09 (.08, .10)</td>
<td>***</td>
</tr>
<tr>
<td>Hypothesized Structural Model</td>
<td>515.16</td>
<td>131</td>
<td>.001</td>
<td>3.93</td>
<td>.95</td>
<td>.94</td>
<td>.03</td>
<td>.08 (.08, .09)</td>
<td></td>
</tr>
<tr>
<td>Final structural model</td>
<td>533.68</td>
<td>143</td>
<td>.001</td>
<td>3.73</td>
<td>.95</td>
<td>.94</td>
<td>.03</td>
<td>.08 (.07-.09)</td>
<td>18.52</td>
</tr>
</tbody>
</table>

Note: *90% confidence interval (low, high).

Test of Hypotheses

The study proposed 12 major hypotheses, wherein 6 were fully supported by the data, 4 were partially supported, and 2 were rejected. A summary of the hypotheses and research questions are listed below, followed by a detailed discussion of each hypothesis testing.

**H1.** Organization-employee relationship positively influences employee perception of organizational reputation. **Supported**

**H2.** Employee perception of organizational reputation positively influences employee engagement. **Supported**

**H3.** Organization-employee relationship positively influences employee engagement. **Supported**

**H4:** Symmetrical internal communication positively influences organization-employee relationship (H4a), employee perception of organizational reputation (H4b), and employee engagement (H4c). **Rejected**

**H5:** Transparent communication positively influences organization-employee relationship (H5a), employee perception of
organizational reputation (H5b), and employee engagement (H5c).

*Partially supported*

**H6:** Symmetrical communication is positively associated with transparent communication. *Supported*

**H7:** Transformational leadership positively influences symmetrical internal communication (H7a) and transparent communication (H7b). *Partially supported*

**H8:** Authentic leadership positively influences symmetrical internal communication (H8a) and transparent communication (H8b). *Partially supported*

**H9:** Transformational leadership is positively related to organization-employee relationship (H9a), employee perception of organizational reputation (H9b), and employee engagement (H9c). *Rejected*

**H10:** Symmetrical communication (H10a) and transparent communication (H10b) mediate the effects of transformational leadership on organization-employee relationship, employee perception of organizational reputation, and employee engagement. *Supported*

**H11:** Authentic leadership is positively related to organization-employee relationship (H11a), employee perception of organizational reputation (H11b), and employee engagement (H11c). *Partially supported*

**H12:** Symmetrical communication (H12a) and transparent communication (H12b) mediate the effects of authentic leadership on organization-employee relationship, employee perception of organizational reputation, and employee engagement. *Supported*
Hypothesis 1: Effect of organization–employee relationship on internal reputation

Hypothesis 1 predicts that the quality of organization–employee relationship is positively associated with employee’s evaluation of organizational reputation. The purpose of Hypothesis 1 was mainly to verify the theory in an internal communication context because previous scholars have consistently found a causal relationship between organization–public relationship qualities and organizational reputation (e.g., L. Grunig et al., 2002; Yang, 2007; Yang & J. Grunig, 2005). Results supported Hypothesis 1, which states that organization–employee relationship has a large positive effect on employee perception of organizational reputation (B = .82, S. E. = .03, β = .87, p < .001). When employees have a good relationship with the organization, they tend to evaluate the organization more favorably.

Hypothesis 2: Effects of internal reputation on employee engagement

Hypothesis 2 predicts a positive relationship between employee perception of organization reputation (i.e., internal reputation) and employee engagement. The study supports this hypothesis. The internal reputation of the organization in the eyes of the employees demonstrated a positive medium effect on employees’ engagement (B = .21, S.E = .06, β = .19, p = .002). These results indicate that when employees generally like the organization or have an overall favorable perception, they tend to engage more.

Hypothesis 3: Effects of organization–employee relationship on employee engagement

Hypothesis 3 predicted a positive effect of organization–employee relationship on employee engagement, which was supported by the data. As shown in Table 4.20,

32 According to the rule of thumb proposed by Keith (2006), a standardized coefficient (β) of less than .05 suggests a negligible effect, a standardized coefficient of .05 to .10 suggests a small but meaningful effect, a standardized coefficient of .10 to .25 means a moderate effect, and a standardized coefficient of above .25 represents a large effect.
the quality of relationship between employees and their organization has strong and positive influence on their engagement level (B=.74, S.E=.06, β=.71, p<.001). These results indicate that a better relationship between the employees and the organization results in more employee engagement.

According to Baron and Kenny (1986), partial mediation is present when paths from the independent variables to the mediator, from the mediator to the dependent variables, and from the independent variable to the dependent variable are significant. Based on the significant results of Hypotheses 1 (relationship→reputation), 2 (reputation→engagement), and 3 (relationship→engagement), the employee perception of organizational reputation partially mediates the effect of organization–employee relationship on employee engagement. For a closer examination, a formal significance test of indirect effects using a bootstrap procedure (N=2,000 samples) was conducted. The results demonstrated that the indirect effect of path on organization–employee relationship to employee engagement through perceived organizational reputation was significant (B=.17, S.E. = .06, β=.16, 90% CI [.064-.272], p=005). This finding indicates that a good relationship between the organization and its employees directly and indirectly influences employee engagement through shaping a favorable internal reputation.

33 Values in the parentheses are the upper and lower bound standardized indirect effects of organization–employee relationship on employee engagement through internal reputation with 90% confidence interval.
Table 4.20. Unstandardized and Standardized Coefficient of Direct Effects in the Final Structural Model (n=402)

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>H</th>
<th>B</th>
<th>S.E.</th>
<th>β</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization–employee relationship</td>
<td>Perceived organizational reputation</td>
<td>H1</td>
<td>.82</td>
<td>.03</td>
<td>.87***</td>
</tr>
<tr>
<td>Perceived organizational reputation</td>
<td>Employee engagement</td>
<td>H2</td>
<td>.21</td>
<td>.06</td>
<td>.19**</td>
</tr>
<tr>
<td>Organization–employee relationship</td>
<td>Employee engagement</td>
<td>H3</td>
<td>.74</td>
<td>.06</td>
<td>.71***</td>
</tr>
<tr>
<td>Transparent communication</td>
<td>Organization–employee relationship</td>
<td>H5a</td>
<td>.77</td>
<td>.05</td>
<td>.75***</td>
</tr>
<tr>
<td>Symmetrical communication</td>
<td>Transparent communication</td>
<td>H6</td>
<td>.86</td>
<td>.05</td>
<td>.89***</td>
</tr>
<tr>
<td>Transformational leadership</td>
<td>Symmetrical communication</td>
<td>H7a</td>
<td>.26</td>
<td>.08</td>
<td>.27**</td>
</tr>
<tr>
<td>Authentic leadership</td>
<td>Symmetrical communication</td>
<td>H8a</td>
<td>.57</td>
<td>.09</td>
<td>.56***</td>
</tr>
</tbody>
</table>

Note. ** p<.01; ***p<.001

**Hypothesis 4: Effects of symmetrical communication on employee outcomes**

Hypothesis 4 posited that symmetrical communication positively influences organization–employee relationship (H4a), employee perception of organizational reputation (H4b), and employee engagement (H4c). Results showed that due to a strong mediation effect of transparent communication, the direct effects of symmetrical communication on the three employee outcomes in the model were not significant. Mediation analysis showed that symmetrical communication demonstrates a large positive indirect effect on the quality of organization–employee relationship via transparent communication as presented in Table 4.21(B=.66, S. E. =.04, β=.67, 90% CI [.60-.74], p<.001); a large positive indirect effect on perceived reputation via transparent communication and organization–employee relationship (B=.54, S. E. =.04, β=.59, 90% CI [.52-.65], p<.001), and a large positive indirect effect on employee engagement via transparent communication, organization–employee relationship, and internal reputation (B =.60, S. E. =.04, β=.59, 90% CI [.52-.65], p<.001).
Hypothesis 5: Effects of transparent communication on employee outcomes

In a similar vein, Hypothesis 5 posited that transparent communication within an organization positively affects organization–employee relationship (H5a), employee perception of organizational reputation (H5b), and their engagement level (H5c). Results partially supported this hypothesis. As shown in Table 4.20, transparent communication demonstrates a large positive direct effect on the quality of employee relationship within the organization (B=.77, S.E=.05, β=.75, p<.001), but no significant direct effect on perceived reputation and employee engagement was found, supporting H5a only. However, mediation analysis showed significant indirect effects of transparent communication on employee perception of organizational reputation (B=.63, S.E. = .04, β=.65, 90% CI [.59-.73], p<.001) and employee engagement (B=.70, S.E. = .04, β=.65, 90% CI [.59-.72], p<.001). The findings indicate that transparent communication helps develop quality relationship between the organization and its employees, which, in turn, shapes favorable internal reputation and boosts employee engagement.

Hypothesis 6: Relationship between symmetrical communication and transparent communication

Hypothesis six predicted a positive relationship between symmetrical and transparent communication. Results supported this hypothesis and indicate that symmetrical communication has a large positive effect on transparent communication (B=.86, S.E. = .05, β=.89, p=.001). Symmetrical communication as a communication worldview can breed transparent communication practice.
Table 4.21. Standardized Coefficient of Total Indirect Effects in the Final Structural Model (n=402)

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Dependent variable</th>
<th>90% Bias-Corrected Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>β</td>
</tr>
<tr>
<td>Organization-employee relationship</td>
<td>Employee engagement</td>
<td>.16**</td>
</tr>
<tr>
<td>Symmetrical communication</td>
<td>Organization–employee relationship</td>
<td>.67***</td>
</tr>
<tr>
<td>Symmetrical communication</td>
<td>Perceived reputation</td>
<td>.59***</td>
</tr>
<tr>
<td>Symmetrical communication</td>
<td>Employee engagement</td>
<td>.59***</td>
</tr>
<tr>
<td>Transparent communication</td>
<td>Perceived reputation</td>
<td>.65***</td>
</tr>
<tr>
<td>Transparent communication</td>
<td>Employee engagement</td>
<td>.65***</td>
</tr>
<tr>
<td>Transformational leadership</td>
<td>Transparent communication</td>
<td>.24**</td>
</tr>
<tr>
<td>Authentic leadership</td>
<td>Transparent communication</td>
<td>.50***</td>
</tr>
<tr>
<td>Transformational leadership</td>
<td>Organization–employee relationship</td>
<td>.18**</td>
</tr>
<tr>
<td>Transformational leadership</td>
<td>Perceived reputation</td>
<td>.16**</td>
</tr>
<tr>
<td>Transformational leadership</td>
<td>Employee engagement</td>
<td>.16**</td>
</tr>
</tbody>
</table>

Note: The number of bootstrap samples was 2000. Estimation method was Maximum Likelihood (ML). **p<.01; ***p<.001

Hypothesis 7: Effects of transformational leadership on symmetrical and transparent communication

Hypothesis 7 posited positive associations between transformational leadership and the organization’s symmetrical (H7a) and transparent internal communication (H7b). Results supported H7a that transformational leadership demonstrates a significant positive direct effect on symmetrical communication (B=.26, S.E=.08, β=.27, p=.001). However, the direct effect of transformational leadership on transparent communication (H7b) was not supported due to a full
mediation effect of symmetrical communication. The indirect effect of transformational leadership on transparent communication via symmetrical communication was significant ($B=.23$, S.E. = .07, $\beta=.24$, 90% CI [.09-.39], $p=.01$). This result indicates that transformational leadership in all organizational levels plays a significant role in developing a symmetrical internal communication system which, in turn, leads to transparent communication.

**Hypothesis 8: Effects of authentic leadership on symmetrical and transparent communication**

Similar to Hypothesis 7, Hypothesis 8 predicted that authentic leadership in organizational levels positively affects the organization’s symmetrical (H8a) and transparent communication (H8b). This hypothesis was also partially supported. As shown in Table 4.20, authentic leadership demonstrates large positive effects on symmetrical communication ($B=.57$, S.E=.09, $\beta=.56$, $p<.001$), supporting H8a. The effect of authentic leadership on transparent communication was again fully mediated by symmetrical communication ($B=.49$, S.E. = .09, $\beta=.50$, 90% CI [.33-.66], $p<.001$). This finding shows that authentic leadership, similar to transformational leadership, positively influences the symmetrical communication within an organization, which then promotes transparent communication.

**Hypothesis 9 and 10: Effects of transformational leadership on employee outcomes**

Hypotheses 9 and 10 predicted positive direct (H9) and indirect (H10) effects of transformational leadership on organization–employee relationship, employee perception of organizational reputation, and employee engagement. Results supported H10 but fail to support H9. Effects of transformational leadership on employee outcomes in the model were fully mediated by symmetrical and transparent communication. The total indirect effects of transformational leadership on
organization–employee relationship, employee perception of organizational reputation, and employee engagement were all significant. Specifically, transformational leadership positively influences the quality of organization–employee relationship via symmetrical and transparent communication (B=.18, S.E. = .07, β=.18, 90% CI [.07-.30], p<.01). Transformational leadership positively affects employee perception of organizational reputation via symmetrical and transparent communication and organization–employee relationship (B=.14, S.E. = .06, β=.16, 90% CI [.06-.26], p<.01). Transformational leadership also positively influences employee engagement by promoting a symmetrical and transparent internal communication system, which cultivates quality organization–employee relationship and shapes the employees’ favorable evaluation of the organization (B=.16, S.E. = .06, β=.16, 90% CI [.06-.26], p<.01).

**Hypothesis 11 and 12: Effects of authentic leadership on employee outcomes**

Hypothesis 11 and 12 posited that authentic leadership positively influences organization–employee relationship, employee perception of organizational reputation, and employee engagement directly (H11), and indirectly through symmetrical and transparent communication (H12). Results supported H12 and partially supported H11. Authentic leadership was found to demonstrate a medium positive direct effect on organization–employee relationship (B=.21, S.E. = .04, β=.21, p<.001). The effect of authentic leadership on perceived organizational reputation and employee engagement was fully mediated by symmetrical and transparent communication and organization–employee relationship. The total indirect effects of authentic leadership on organization–employee relationship (B=.38, S.E. = .08, β=.38, 90% CI [.25-.51], p<.001), perceived organizational reputation (B=.48, S.E. = .07, β=.51, 90% CI
and employee engagement \( (B=.54, \text{S.E.} = .08, \beta=.51, \text{90\% CI} [.39-.62], p<.001) \) were all significant.

**Results of Research Questions**

In addition to testing hypotheses, the present study proposed two research questions regarding the preferred communication channels of leaders and employees because different media vary in terms of information richness (Daft & Lengel, 1984) and can affect the scale and pace of communication. Specifically, the study asked about the communication channels preferred by employees to receive information from the organization and their leaders (RQ1), and the relationship between leadership style and use of communication channels (RQ2).

**RQ1: Employees’ preferred communication channels**

As presented earlier in Tables 4.11 and 4.12, descriptive analysis of communication channels showed that the top-three communication channels preferred by employees to receive information from the organization were “e-mail” \( (f=295, 73.4\%) \), “employee meetings” \( (f=268, 66.7\%) \), and “interpersonal communication with direct manager” \( (f=181, 45\%) \). While “e-mail” provides the most efficient way to receive information and has been incorporated into the daily routine of most employees, they prefer two-way communication forms (i.e., “employee meeting,” “interpersonal communication with manager”) more than the one-way mass media channels such as “print media” \( (f=154, 38.3\%) \) and “internal website” \( (f=128, 31.8\%) \). Likewise, employees mostly prefer to communicate with their managers through “face-to-face interactions” \( (M=6.09, \text{SD}=1.37) \), followed by “e-mail” \( (M=5.25, \text{SD}=1.86) \) and “phone and voice mail” \( (M=4.23, \text{SD}=1.97) \).
RQ2: Leaders’ preferred communication channels

Results presented earlier in Table 4.12 showed that leaders in medium and large corporations use “face-to-face interactions” (M= 5.34, SD=1.81) most often to communicate with followers, followed by “e-mail” (M=4.96, SD=2.21) and “phone and voice mail” (M=3.76, SD=1.94). In addition, meaningful positive correlations were found between transformational leadership and “face-to-face interactions” (r=.33, p<.05), and authentic leadership style and “face-to-face interactions” (r=.36, p<.05). This finding indicates that both transformational and authentic leaders tend to use two-way information rich forms when interacting with followers.

Summary of Structural Equation Modeling Analysis

Results of SEM analyses showed overall support to the hypothesized conceptual model that strategic organizational leadership contributes to the development of an effective internal communication system, which, in turn, affects the attitudes and behaviors of employees toward the organization. Effects of leadership style on the three employee outcomes were largely mediated by internal communication practice. In particular, transformational and authentic leadership jointly contributes to the development of a symmetrical communication system, which promotes transparent communication practice. Such strategic internal communication cultivates quality organization–employee relationship, which influences the cognitive evaluation of employees on the reputation of the organization and engages them psychologically and behaviorally. The influences of transformational and authentic leadership on organization–employee relationship, perceived internal reputation, and employee engagement were all significantly mediated by symmetrical and transparent communication. Only the direct effect of authentic leadership on organization–employee relationship was found significant.
As the results of hypotheses testing and research questions have been presented, the next chapter will focus on further interpretation and discussion of the findings. Important theoretical and practical implications of the findings for public relations scholars and professionals will be discussed.
The purpose of this dissertation was two-fold: (1) to examine the relations between organization-public relationships, organizational reputation and public engagement from an internal public’s perspective, and propose an integrated approach to demonstrate the value of public relations (effectiveness); and (2) to investigate the influence of strategic leadership on internal public relations practice and outcomes, and propose organizational leadership as a new characteristic of excellent public relations (excellence). A conceptual model was proposed based on an extensive review of current literature on the value of public relations, internal communication, and organizational leadership. In this model, organization–employee relationship predicts employee perception of organizational reputation and employee engagement. Two interrelated strategic leadership styles, namely, transformational and authentic leadership, influence the symmetrical and transparent communication within an organization, which again influences the three interrelated employee outcomes.

A Web survey was conducted to verify the theory empirically. A total of 402 employees working in medium and large corporations in the United States were randomly selected for data collection. The statistical program AMOS 19.0 was used to examine the causal relationships between these focus concepts: authentic leadership (indicated by self-awareness, relational transparency, internalized moral perspective, and balanced processing), transformational leadership (composite variable), symmetrical communication (composite variable), transparent communication (indicated by substantial information, participation, and accountability), organization–employee relationship (indicated by trust, control mutuality,
commitment, and satisfaction), employee perception of organizational reputation (composite variable), and employee engagement (indicated by positive affectivity and empowerment).

The study tested 12 hypotheses used to build the conceptual model. Additionally, two research questions on the effective use of medium channels in internal communication were examined. This chapter will first discuss the major findings of this study, including unexpected results that emerged from the data. Important theoretical and practical implications for public relations academics and professionals will then be discussed. Finally, the chapter concludes with a discussion of limitations the study encountered and suggestions for future research.

**Discussion of Major Findings**

The study aims to explore the relations between organization–employee relationship, internal reputation, and employee engagement, and to investigate the impact of organizational leadership on internal communication effectiveness. Major findings are summarized as follows:

1. The quality of *organization–employee relationship* strongly influences how employees evaluate their organization’s *reputation* and level of *employee engagement*. Employee perception of the organization’s reputation positively affects their engagement level. The influence of organization–employee relationship on employee engagement is partially mediated by the perceived reputation of employees.

2. *Symmetrical communication* in an organization plays a significant role in promoting *transparent communication* practice.

3. *Strategic internal communication* characterized by symmetrical and transparent communication strongly affects the quality of
organization–employee relationship, which in turn affects organizational internal reputation and employee engagement. The effect of symmetrical communication on employee outcomes is fully mediated by transparent communication.

4. In general, employees prefer interpersonal *channels* more than mediated channels when receiving information from the organization and from their leaders.

5. *Transformational leadership* and *authentic leadership* strongly influence the development of a symmetrical and transparent internal communication system in an organization.

6. The effects of transformational and authentic leadership on organization–employee relationship, perceived organizational reputation, and employee engagement are almost fully mediated by strategic communication.

**Link between Organization–Employee Relationship, Perceived Organizational Reputation, and Employee Engagement**

Over the past decade, public relations scholars and professionals have attempted to develop a set of criteria that will demonstrate the value of public relations to the organization’s C-Suite and evaluate its effectiveness. The concepts of organization–public relationship, organizational reputation, and most recently, public engagement has received attention from scholars and practitioners as important outcomes of public relations efforts. While some scholars believe that the value of public relations mainly lies in developing long-term and mutually beneficial *relationships* between the organization and its strategic publics (Bruning & Ledingham, 1999; Cutlip, Center, & Broom, 1994; Hon & J. Grunig, 1999; Huang, 2001; Hung, 2002, 2006; J. Grunig & Huang, 2000), others favor the concept of organizational reputation to showcase the contribution of public relations to
organizational effectiveness (Murray & White, 2005; Hong & Yang, 2009, 2011; Hutton, 1999; Hutton et al., 2001). Most recently, industry leaders and public relations theorists have suggested public engagement as a new paradigm to examine the practice of public relations (e.g., Edelman, 2008; Kang, 2010). Recognizing the existing divergent approaches in evaluating public relations effectiveness, several scholars (e.g., Stacks, 2011a, 2011b; Stacks et al., 2011; Yang, 2005, 2007) have suggested an integrated approach to demonstrate the value of public relations. For example, in his public relations evaluation model, Stacks (2011a) theorized that organization–public relationships, reputation, trust, credibility, and confidence are interrelated public relations outcomes that jointly affect the return on stakeholders’ expectation and companies’ return on investment. Yang (2005; 2007) also advocated that the concepts of relationships and reputation can be intertwined in conceptualizing the value of public relations. Similar to Stacks and Yang, the current study posited that an integrated approach of relationships, reputation, and engagement, which are identified as the most prominent public relations outcomes in public relations academic and professional literature, can elucidate a bigger picture of the value of public relations than focusing only on one of these concepts.

Results supported the prediction that relationship, reputation, and engagement are strongly associated with one another. The data used for this study were gathered from an internal communication perspective, which revealed that a favorable organizational reputation in the eyes of employees can be obtained by cultivating a quality relationship with employees. This finding supported the notion of previous scholars that the relationship history (Coombs & Holladay, 2001) and relationship quality (Yang, 2005; 2007) of an organization with its stakeholders affect stakeholder evaluation of organizational reputation. In a corporate communication setting where
employees have a good relationship with the organization, meaning they trust, are satisfied with, and commit to the organization and agree on mutual influence, they tend to assess the organization more favorably on aspects of financial performance, vision and leadership, work environment, and emotional appeal.

Additionally, a quality organization–employee relationship was found to contribute to employee engagement. Thus, when employees enjoy a quality relationship with the organization, they tend to reciprocate with more participation and involvement in organizational activities. By being engaged, employees are more attentive, absorbed, and dedicated to their work. They also feel a sense of belongingness to the organization, and feel more empowered. This finding echoes Kang’s (2010) notion that public trust and satisfaction with the organization, which are important outcomes of quality organization–public relationships, lead to a higher level of public engagement. Moreover, a good relationship between the organization and its employees was found to affect employee engagement by nurturing a favorable organizational internal reputation.

Consistent with Men’s (2011b) study on the relationship between reputation and engagement, the present study found a significant medium effect of perceived organizational reputation on employee engagement. When employees think positively about their company, in particular, when they believe that the company has a strong future prospect, a clear vision, a promising leadership, and a fair and hospitable work environment, they are more likely to engage themselves in the organization. This finding indicates the connection between cognitive perception (reputation) and psychosocial and behavioral reaction (engagement). Likewise, it provides empirical evidence to Parsley’s (2006) argument that managing organizational reputation is critical for employee engagement because a bad reputation may distance employees
from the business.

Therefore, the three communication outcomes, relationship, reputation, and engagement, were found to be closely related in a causal matter (Figure 5.1), and cannot be empirically isolated from one another. An integrated model will be more realistic to demonstrate the value of public relations at the organizational level.

![Diagram of communication outcomes](image)

Figure 5.1. Link between organization–public relationship, organizational reputation, and public engagement from an internal perspective.

**Strategic Internal Communication**

Recognizing the critical role of employees as organizational ambassadors in this increasingly connected Web 2.0 world, an increasing number of organizations have started to place internal communication on top of their public relations agenda. Research to date has identified two general internal communication strategies that lead to positive outcomes—symmetrical and transparent communication. Symmetrical communication, as both a communication worldview and strategy, has been consistently found to predict positive employee outcomes such as job satisfaction, identification, loyalty, relationship, and supportive word-of-mouth (Jo & Shim, 2005; Kim & Rhee, 2011; Smidts *et al.*, 2001). Transparent communication, which has recently gained the attention of public relations scholars and professionals, has also
been suggested to build employee trust, organizational credibility (Rawlins, 2008, 2009), and employee engagement (Linhart, 2011). Several scholars have argued that the concepts of symmetrical and transparent communication are closely related to each other (e.g., Christensen & Langer, 2009; Jahansoozi, 2006). However, empirical evidence showing this relation has been minimal.

In addition to examining the effects of symmetrical and transparent communication on the three employee outcomes (i.e., organization–employee relationship, perceived internal reputation, and employee engagement), this study proposed a causal relationship between symmetrical communication and transparent communication. Results supported the predication that when organizations advocate a symmetrical communication system where employee voices are heard, interests are addressed (rather than manipulated and controlled), different opinions are encouraged, and a balance of power is emphasized, communication in the organization is most likely to be transparent. In other words, symmetrical communication oriented at nurturing mutual understanding, collaboration, and reciprocity encourages transparent communication practice. As a result, organizations provide substantial, complete, timely, accurate, balanced, and unequivocal information needed by employees, which again leads to favorable employee attitudes toward the organization.

**Effects of Strategic Internal Communication on Employee Outcomes**

Unlike the rich empirical evidence showing the effectiveness of symmetrical communication, minimal empirical studies exist in public relations that examine how transparent communication affects public relations outcomes. It has been theoretically argued that transparent communication contributes to quality relationships and stakeholder engagement (Linhart, 2011; Jahansoozi, 2006; Rawlins, 2009). Rawlins (2008) first revealed the strong positive effect of organizational transparency on
employee trust. Extending Rawlins’ study, the current study related transparent communication to the three intertwined internal communication outcomes (i.e., organization–employee relationship, employee perception of organizational reputation, and employee engagement). Results of this study indicated that transparent communication plays a critical role in building a quality relationship with employees. In particular, organizations that share substantial information with employees, encourage employee participation, convey balanced information that hold them accountable and open to employee scrutiny are more likely to gain employee trust, satisfaction, commitment, and control mutuality. This finding was expected because truly open and transparent communication encourages employees to voice out their opinions. The organization’s confidence, trust, and care about employees give employees a sense of *ownership* toward the organization. Thus, a good relationship can be developed over time, which in turn leads to a favorable evaluation of employees on the organization’s reputation and employee engagement.

Contrary to expectation, transparent communication did not directly and significantly influence internal reputation and employee engagement. Such effects were fully *mediated* by the organization–employee relationship. Linhart (2011) argued that transparency is the foundation for building engagement. In fact, as some sort of psychological attachment, positivity, and supportive behavioral orientation, employee engagement more directly results from a quality organization–employee relationship. According to this study, transparent communication cultivates a long-term, mutually beneficial relationship, which again leads to all other related positive outcomes.

Divergent from previous studies that show the *direct* effects of symmetrical communication on positive attitudinal or behavioral outcomes, this study revealed the
significant indirect effects of symmetrical communication on organization–employee relationship, employee perception of organizational reputation, and employee engagement via transparent communication (Figure 5.2). Specifically, when an organization advocates a two-way, employee-centered symmetrical communication worldview, its communication practice is most likely to be transparent. Such a strategic internal communication system, with a symmetrical worldview guiding substantial, participatory, and accountable communication practice, finally contributes to positive employee outcomes. Thus, the findings of the current study provided new explanations for how symmetrical communication works and why it is effective, which have not been fully examined empirically in previous works.

![Figure 5.2. Effects of symmetrical and transparent communication on organization–employee relationship, perceived organizational reputation, and employee engagement.](image)

**Internal Communication Channels**

While a symmetrical and transparent communication system is crucial in building quality organization–employee relationship, nurturing favorable employee perception of the organization’s reputation, and boosting employee engagement, the importance of strategic use of communication channels in achieving communication...
effectiveness should never be overlooked (Stein, 2006). Different media channels (e.g., interpersonal vs. mediated, traditional vs. new media) vary in terms of information richness (Daft & Lengel, 1984), communication efficiency, and effectiveness. For the messages to reach the audience effectively, (an) optimal media channel(s) should be selected first.

According to the findings of the current study, employees mostly prefer e-mails to receive information from the organization regarding new decisions, policies, events, or changes. Some scholars argue that e-mail lacks information richness, and can hardly convey complicated information for the purpose of persuasion (White et al., 2010). However, as an indispensable part of employees’ daily routine, e-mail has become a critical channel for the organization to reach employees effectively and efficiently. Employees were also found to prefer face-to-face channels such as employee meetings and interpersonal communication with direct managers to print channels such as memos, brochures, newsletters, reports, policy manuals, and posters to receive information from the organization. This preference might be due to the reason that that face-to-face interaction, as the richest information medium, allows for instant feedback and interpretation of visual cues, and facilitates two-way symmetrical communication (Daft & Lengel, 1984; J. Grunig, 1992), whereas print channels are lean in information transmission, less personal, and thus, less welcomed by employees. Note however that most companies utilize print media more than direct managers even though employees prefer the latter more as a source of organizational information. The critical role of leaders in corporate internal communication has not been widely recognized.

As for leadership communication, results showed that face-to-face interactions are preferred by employees to all other channels, including e-mail, to communicate
with their leaders. This result is consistent with the previous research conclusion by other researchers that employees prefer interpersonal communication with management over mediated communication (Cameron & McCollum, 1993; Stein, 2006; White et al., 2010). Another noteworthy finding regarding internal communication channels pertains to the use of social media. Although public relations professionals and scholars have started to recognize the advantage of social media in community building and engagement (e.g., Crescenzo, 2011; Whitworth, 2011), this interactive, communicative, personal, and empowering new media genre has not been well integrated into the internal communication system of companies. This may be because social media is still a relatively new tool for many organizations. Nevertheless, as times passes, and when social media becomes more widely adopted for employee communication purpose, its potential effectiveness can be demonstrated. Therefore, today’s internal communication professionals should speculate on how to take full advantage of evolving new technology to engage employees.

Effects of Leadership on Strategic Internal Communication

One of the major intentions of the current study was to examine the impact of organizational leadership on internal communication. Although it has not been fully examined empirically, organizational leadership has been argued to influence internal communication in various ways. First, leadership communication with followers represents a major component of internal communication in an organization, in addition to the organization’s mass media communication and social networks among employees. Leaders play an important role in cascading organizational messages to lower-level employees (Whitworth, 2011). Second, leadership at all organizational levels is exerted through communication (Holladay & Coombs, 1993). The leadership style of managers is directly related to their communication style. Such prevalent
leadership influence gradually cultivates the organizational climate and culture, which are closely associated with the internal communication system (L. Grunig et al., 2002). Third, leadership influences internal public relations through communication leadership. Public relations effectiveness in a management function has everything to do with the effectiveness of public relations leadership. While public relations leadership has recently aroused an increasing amount of scholarly attention (e.g., Aldoory & Toth, 2004; Jin, 2010; Shin, Heath, & Lee, 2011; Werder & Holtzhausen, 2009), there is a void in research on how organizational leadership, as a contextual factor, influences internal communication practice and outcomes. The current study filled this void by examining the impact of two strategic leadership styles, namely, transparent and authentic leadership, on internal communication.

Results showed that organizational leadership style greatly affects the organization’s internal communication system. Transformational leadership and authentic leadership both demonstrated large positive effects on organizational symmetrical communication. When employees are supervised by transformational or authentic leaders, they are more likely to perceive the organization’s communication as symmetrical. Previous scholars have noted that transformational leadership is characterized by interactive, visionary, creative, inspiring, and empowering communication behaviors (Bass, 1998; Hackman & Johnson, 2004). The current study provided empirical evidence for this argument.

Such findings can be explained by the fact that transformational leaders motivate employees by appealing to their higher-order needs. They care about employees’ welfare, concerns, and personal growth and development. To that end, transformational leaders encourage two-way exchange in communication (Bass, 1998), and listen to employees’ feedback and opinion. They often practice the
“management by walking around” work spaces approach (Bass, 1998) and establish face-to-face personal interactions with employees, as was evidenced in the current study. In addition, transformational leaders often stimulate their followers’ efforts to be innovative and creative. They are tolerant of individual differences and value different opinions. Such leaders also align the individual goals of employees with the group and organizational goals, and foster collaboration among followers (Podsakoff et al., 1990, 1996). They also delegate power and tasks as a means of developing followers. Thus, by listening effectively to employees, responding to employees’ higher-order needs, caring about employees’ interests, and empowering employees, transformational leadership communication is symmetrical by nature, by which employees feel a balance of power, being cared for rather than controlled or manipulated, and value collaboration. Such symmetrical leadership communication again comprises a major part of the organization’s symmetrical communication system, which in turn promotes the organization’s transparent communication and positive employee outcomes.

Likewise, organizational authentic leadership was found to influence the organization’s symmetrical communication strongly. Initially developed as a value-based leadership with the goal of fostering an ethical climate and a positive environment, authentic leadership was born with an ethical foundation. Authentic leaders internalize moral values such as integrity, fairness, kindness, accountability, and altruism (Yukl, 2010), which guide their daily leadership behaviors and communication practice. Such ethical core values provide a common ground for authentic leadership and symmetrical communication, because symmetrical communication has also been argued as a form of ethical communication with public interests taken into account (J. Grunig, 2006; L. Grunig et al., 2002). The positive
effect of authentic leadership on symmetrical communication can also be explained by the fact that authentic leaders openly share information with employees and express their true selves without hiding or disguising. Such relational transparency can promote a fair and open environment where employees can freely express themselves and contribute their opinions and ideas to management. Moreover, authentic leaders are fair and balanced in information processing and decision making. Such balance concurs with the notion of “balance” of interests and power in symmetrical communication. Finally, as noted by Illies et al. (2005) and Walumbwa et al. (2010), authentic leadership has a judicious relational orientation. Again, this is consistent with symmetrical communication, where the goal is to establish long-term, mutually beneficial relationships.

Therefore, although authentic leadership and transformational leadership can be distinguished by different origins, purposes, and orientations, they are both effective leadership styles characterized by open communication. By exerting influence on every aspect of the organization, transformational leadership and authentic leadership, as organizational contextual factors, not only provide a hospitable environment where excellent public relations is nurtured, but also directly contribute to the development of the organization’s symmetrical communication system. Such two-way, employee-centered symmetrical communication encourages the organization’s transparent communication practice (Figure 5.3). Notably, the effects of transformational leadership and authentic leadership on transparent communication are strongly mediated by symmetrical communication. This finding indicates that through building the organization’s symmetrical communication system transformational and authentic leadership indirectly exert its influence on the organization’s transparent communication practice. Evidently, strategic leadership
should be included in the list of excellent internal public relations characteristics in addition to an organic organizational structure and a participative organizational culture, as suggested by the *excellence* team (J. Grunig *et al.*, 1992; L. Grunig *et al.*, 2002).

![Diagram](image_url)

**Figure 5.3.** Effects of transformational leadership and authentic leadership on symmetrical communication and transparent communication.

**Effects of Leadership on Employee Outcomes**

Another major finding of the study pertains to the effects of leadership on the three interrelated employee outcomes proposed in this study. As previously discussed in Chapter 2, numerous studies have demonstrated the positive effects of transformational leadership and authentic leadership on employee job attitudes, behavior, and attitudes toward the leaders. For example, transformational leadership has been shown to affect employee trust in leaders, job satisfaction, satisfaction with the leader, leader–member exchange, team/organizational commitment, loyalty, task performance, and organizational citizenship behavior (e.g., Behling & McFillen, 1996; DeGroot, Kiker, & Cross 2000; Dirks & Ferrin, 2002; Dumdum, Lowe, & Avolio, 2002; Dvir, Eden, Avolio, & Shamir, 2002; Judge & Piccolo, 2004; Lowe, Kroeck, & Sivasubramaniam, 1996; Podsakoff, MacKenzie, & Bommer, 1996). Authentic
leadership has been demonstrated to contribute to employee identification with the leaders, trust, organizational commitment, employee work engagement, employee work happiness, organization citizenship behavior, and employee job performance (Jensen & Luthans, 2006; Walumbwa et al., 2008; Walumbwa et al., 2010; Wong & Cummings, 2009).

From an internal public relations perspective, the current study examined organizational leadership as a contextual factor that can influence the internal communication and related attitudinal or behavioral outcomes in an organization. This study predicted that transformational leadership and authentic leadership will affect organization–employee relationship, employee perception of organizational reputation, and employee engagement both directly and indirectly by influencing the organization’s symmetrical and transparent communication. Results showed that the effects of transformational leadership and authentic leadership on employee attitudes and supportive behavior toward the organization are largely mediated by strategic internal communication. Such strong mediation effect made most of the direct effects of transformational leadership and authentic leadership on organization–employee relationship, perceived organizational reputation, and employee engagement become non-significant. Although partially contrary to expectation, this finding indicates that leadership influence on employees lies mainly in employee motivation, job attitudes, performance, and attitudes toward the leader, as evidenced by numerous empirical leadership studies. The effects of leadership on the relationship between the organization and employees, employee perception of organizational reputation, and employee engagement with the organization are actually realized through organizational internal communication. In other words, strategic leadership such as transformational and authentic leadership provides a benign context, and directly
shapes the symmetrical and transparent organizational communication system. Consequently, such strategic internal communication positively and directly contributes to favorable employee attitudes and behavior toward the organization.

Although the majority of organizational leadership effects on employee outcomes are mediated by strategic internal communication, this study revealed a significant medium and direct effect of authentic leadership on organization–employee relationship. Employees tend to perceive a better relationship with the organization when they perceive their managers as authentic, ethical, balanced, fair, transparent, and consistent in what they say and do. This finding could be attributed to the consistency (between values and deeds) and relational transparency demonstrated by authentic leaders, which have everything to do with employee trust and commitment (Berger, 2008). Moreover, it can be explained by the fact that authentic leadership has an enduring relationship orientation. Therefore, given the natural link between organizational management and the organization (Men, 2011b), trust with leaders or a good leader–follower relationship can contribute to a good organization–employee relationship. Although several recent studies have demonstrated the significant effects of transformational leadership on employee perception of organizational reputation (Men & Stacks, 2012) and the effects of authentic leadership on employee work engagement (Walumbwa et al., 2010), when the factors of strategic internal communication are considered, such effects mostly become mediated (Figure 5.4).
Additional Findings

In addition to fulfilling the research purposes, the present study also revealed some additional interesting findings. For example, male employees overall feel more empowered and engaged than female employees in large and medium corporations. This supported the notion made by Koberg, Boss, Senjem, and Goodman (1999) that women may feel less empowered because they typically hold less powerful positions in organizations and are overrepresented at lower levels in organizations.

Higher-income level employees in general feel more engaged than lower-level employees. This finding was expected, but it indicates that despite the presence of multiple drivers of employee engagement, such as leadership, communication, work environment (Ketchum, 2010), and job design, the importance of economic incentives should never be neglected because these fulfill the fundamental needs of employees.

Higher-level leaders are also more likely to demonstrate transformational leadership and authentic leadership style than lower-level leaders. This is consistent with Men and Stacks’ (2012) finding that transformational leadership is more prevalent in higher positions than in lower positions. Considering that higher-level managers in the organization are normally more successful and have more leadership experience and
training, their demonstration of more transformational leadership style than lower level managers makes sense.

**Implications**

This study examined the impact of organizational leadership on internal communication practice and outcomes, and revealed the relations between three communication outcomes, namely, organization–public relationships, organizational reputation, and engagement from an internal public’s perspective. Results showed that organizational strategic leadership such as transformational leadership and authentic leadership plays a critical role in developing the symmetrical internal communication system and transparent communication practice of an organization. Such strategic internal communication cultivates quality organization–employee relationship that leads to favorable employee evaluation of organizational reputation and employee engagement. The findings of the study provide important implications for public relations scholars and professionals.

**Theoretical Implications**

From an internal perspective, the study addresses the two fundamental questions in public relations: (1) “Why” does public relations have value for organizations (effectiveness)? (2) “How” can excellent public relations (excellence) be achieved? By establishing the link between organizational leadership, strategic internal communication, organization–employee relationships, perceived internal reputation, and employee engagement, the study adds to the body of public relations knowledge in the following areas: value of public relations, relationship management, reputation management, engagement theory, best practices of internal communication, and leadership in public relations. In addition, the findings demonstrate interdisciplinary implications for leadership theory.
Implications for public relations theory

First, the current study proposed an integrated theoretical model for public relations evaluation at the program, functional, organizational, and societal levels (Figure 2.1) based on previous scholarly works on public relations evaluation and measurement (e.g., Hon & J. Grunig, 1999; Huang, 1997, 2001; Hung, 2002; Hutton, 1999; L. Grunig et al., 2002; Kang, 2010; Ledingham & Brunig, 2000; Stacks, 2010; Stacks, Dodd, & Men, 2010; Stacks & Michaelson, 2010; Yang, 2005, 2007). The study further focused on examining the interrelationships between three functional-level indicators of public relations effectiveness prevalent in literature, namely, organization–public relationship, organizational reputation, and public engagement. By building a causal link between relationships, reputation, and engagement from an internal public’s perspective, the study suggests that public relations outcomes are closely associated with one another. The study also suggests that an integrated approach should provide a more complete and realistic picture of the value of public relations than a divergent approach. Organization–employee relationship was found to be a direct outcome of symmetrical and transparent communication effort. Favorable organizational reputation and internal public engagement result from a quality relationship. The study therefore suggests that although public relations has other critical functions such as reputation management and public engagement, building good organization–public relationships with strategic publics serves as the fundamental goal. This also provides empirical support for the most recent definition of public relations selected by the Public Relations Society of America (PRSA) among three candidate definitions based on 1,447 votes from public relations professionals and academics: “Public relations is a strategic
communication process that builds mutually beneficial *relationships* between organizations and their publics” (PRSA, 2012).

Second, this study extends the list of internal characteristics of excellent public relations. As noted by Dozier, L. Grunig, and J. Grunig (1995) and L. Grunig *et al.* (2002), internal characteristics such as a participative organizational culture, organic structures, and gender equality are critical contextual characteristics for public relations best practices because they not only provide a hospitable environment for excellent external public relations practice, but also facilitate internal communication with employees. The current study provides evidence for the argument that organizational leadership, as a process of influence, is a more critical contextual factor for excellent public relations because it is not only connected with organizational infrastructures, but also directly affects internal public relations practice and outcomes. In particular, by demonstrating the impact of transformational leadership and authentic leadership style on the symmetrical and transparent communication of an organization, and the related outcomes from an internal perspective, the current study suggests that strategic leadership style and behaviors should be considered as a new antecedent of excellent public relations.

Third, findings of the study add to the growing body of knowledge on internal communication (i.e., employee communication/internal public relations) by focusing on internal publics. Internal communication has achieved escalating attention from public relations professionals and scholars in the past decade, especially in the age of new media when employees are becoming more empowered in initiating dialogues inside and outside the organization and becoming informal spokespersons for the organization (Kim & Rhee, 2011; Whitworth, 2011). However, unlike external public relations practices that focus on customers, the community, or the media, questions in
internal communication pertaining to internal public relations practice, such as how to
cultivate quality relationship with employees, build favorable internal reputation, and
engage internal publics, have not been fully examined empirically by public relations
scholars. The current study fills this research gap by building a nomological
framework of internal communication linking the antecedent (strategic organizational
leadership) and the process (symmetrical and transparent communication) to the three
interrelated outcomes (organization–employee relationship, perceived internal
reputation, and employee engagement). In addition to proving symmetrical
communication and transparent communication as effective strategies, it pinpoints the
importance of organizational leadership in achieving corporate internal
communication success. Moreover, by examining organization and leader usage of
various media channels and employee preference, the study provides new empirical
evidence on the effectiveness of multiple mediums in internal communication in the
Web 2.0 age.

Fourth, this study expands relationship management theory. Relationship
management has emerged as an important paradigm in contemporary public relations
theory and practice (Ledingham & Bruning, 2000). Numerous studies have been
conducted to examine the antecedents of organization–public relationship, cultivation
strategies, and outcomes. Findings of the current study extends the literature of
internal relationship management by suggesting transformational leadership and
authentic leadership as antecedents of organization–employee relationship
management; symmetrical communication and transparent communication as
effective relationship cultivation strategies; and perceived internal reputation and
employee engagement as quality relationship consequences. Unlike external publics,
internal publics are part of the organization and are more directly influenced by
organizational leadership, culture, structure, and infrastructure (L. Grunig et al., 2002; Men & Stacks, 2012). Although the relationship cultivation theory as a general principle is still applicable in internal publics in the corporate communication context, specific antecedent factors should be considered. Considering the increasing importance of employees as the organization’s informal public relations force, adapting a context-specific and stakeholder-specific internal relationship management theory to guide practice might be necessary.

Fifth, this study contributes to the growing literature of organizational reputation management. Organizational reputation has been extensively studied across various disciplines such as marketing, management, economics, sociology, and communication. Although scholars have argued that reputation resides in the eyes of both internal and external stakeholders (Fombrun et al., 2000, 2004), most existing reputation studies take an external perspective to define and measure the concept. Internal reputation management has recently gained increasing scholarly attention in conjunction with the growing awareness of employees as intangible assets, and the inherent link between the internal and external reputation of an organization. As pointed out in the Arthur Page Society’s (2012) recent report on the new model for activating corporate character and authentic advocacy, “…it is no longer sufficient to manage reputations and brands—our external personas—separately from our workforces and cultures. They need to be managed as one” (p. 9). By focusing on employee evaluation of organizational reputation and investigating its relations with internal communication, organization–employee relationship, and employee engagement, the study suggests new drivers and consequence variables for organizational internal reputation and adds to the expanding knowledge of reputation management.
The current study also fills the research gap on public engagement from an internal communication perspective. Public engagement has recently emerged as a new paradigm of public relations practice due to the changing nature of the public’s active communication behaviors (Edelman, 2008, 2011; Kang, 2010). In particular, because of the speedy evolution of new media technology, publics are no longer passive message recipients of the organization but have become active participants in the communication process. Technology development not only facilitates the engagement activities of an organization, but also escalates the power status of publics and improves their expectation to be engaged. Consequently, public engagement is becoming vital for the success of an organization (Edelman, 2008; Kang, 2010). Moreover, public relations programs should aim at engaging publics to act and advocate, in addition to shaping their perceptions and opinions (Arthur Page Society, 2012). However, the concept of engagement has suffered from a lack of clear definitions, theoretical deliberations, and empirical examinations. By proposing the psychological and behavioral engagement of employees as the final outcome of internal public relations efforts, the current study serves as one of the earliest empirical attempts to investigate engagement in the context of public relations. Likewise, it unveils the relations of engagement to other focal public relations concepts such as organization–public relationship and reputation.

Finally, by showing how the two major leadership styles, transformational and authentic leadership, are related to internal public relations strategies and outcomes, the current research adds to the growing body of knowledge on leadership in public relations. Leadership, as a crucial factor influencing organizational success, has recently caught the attention of public relations scholars. A number of initiatives have been taken (e.g., Aldoory & Toth, 2004; Jin, 2010; Meng, Gower, Berger, & Heyman,
2012; Shin et al., 2011; Werder & Holzhausen, 2009) following Aldoory and Toth’s (2004) call for leadership studies in the context of public relations. However, most of these studies focused on examining leadership styles, traits, and qualities demonstrated by excellent public relations leaders. Few studies have examined how organizational leadership as a contextual factor influences communication practice. As such, the current study initiates a new perspective to examine leadership influence on public relations effectiveness.

**Interdisciplinary theoretical implications**

Additionally, this study draws on literature from other fields such as management, marketing, and human resource in theorizing the concepts of organizational leadership, reputation, and engagement. Therefore, findings of this study provide implications for scholars in these areas from an interdisciplinary perspective. For leadership scholars, for example, this study implicates that organizational strategic communication, which is built upon leadership communication, is an important mediator of the effects of strategic leadership on employee outcomes at the organizational level (e.g., employee relationship with the organization, employee evaluation of the organizational reputation, and employee organizational engagement). In particular, it contributes to the development of the empirical nomological framework of transformational leadership and authentic leadership by examining its organization-level consequences from a communication perspective. Especially for authentic leadership, which is at its theoretical nascent stage (Gardner et al., 2011) and has not been fully tested empirically, the current study contributes to the growing literature by revealing the significant positive influence of authentic leadership on organization–employee relationship. The study
also advances the empirical understanding of the relationship between transformational leadership and authentic leadership.

Furthermore, findings of the study provide implications for marketing scholars interested in reputation studies, and for human resource scholars focused on employee engagement research. Prior literature suggests that perceived internal reputation and employee engagement are driven by multiple factors such as leadership, communication, organizational culture, job design, work environment, and individual characteristics (Attridge, 2009; Ketchum, 2010; Parsley, 2006; Saks & Rotman, 2006). The current study provides empirical evidence on how leadership and communication factors exactly exert such influence.

**Practical Implications**

The present work also provides important pragmatic implications for public relations professionals and organizational managers. First, by proposing an integrated approach for the public relations effectiveness evaluation, this study implies that the value of public relations lies not only in building relationships and shaping perceptions and opinions, but also in engaging public participation, involvement, and supportive actions. As such, the findings provide public relations professionals a new model for demonstrating the contributions of communication practice to organizational success and to the organizational C-Suite, which can help them gain a seat at the corporate decision-making table and better play the corporate councilor’s role. The close interrelationships between organization–employee relationships, perceived organizational reputation, and employee engagement revealed in this study also indicate that in order to shape publics’ favorable perception of the organization and spur their engagement and involvement with organizational activities, it is important to first develop stable and mutually beneficial relationships with such
strategic constituents.

Second, by focusing on the communication with internal publics, the findings of the study provide implications for internal public relations professionals on how to nurture best practices, breed internal excellence, and generate positive employee outcomes. Employees are organizational ambassadors on a daily basis, especially in this increasingly connected social media age. They contribute both internally and externally to the success of the organization. This study suggests that a two-way, employee-centered and responsive symmetrical communication system should be developed to guide daily communication practice and to achieve employee communication effectiveness. In terms of information dissemination, organizations should listen to the concerns of its employees and invite their participation in determining the information they want or need to know. Beyond that, the organization should provide complete, detailed, substantial, fair, and accurate information in a timely manner. More importantly, the organization should be consistent in its values, words, and actions, and be accountable for what it says and does. Such radical transparency can cultivate a quality organization–employee relationship, a favorable employee perception, and the employees’ sense of belongingness and engagement, which potentially lead to positive word-of-mouth and other supportive behaviors (Kang, 2010).

Third, optimization of media channels is important for the success of internal communication. Results of the study suggest that corporate communication professionals should convey corporate messages such as new decisions, policies, announcements, events, and so forth through e-mail because it is the most preferred channel due to its great efficiency. Face-to-face channels such as employee meeting and direct communication with supervisor are also preferred to traditional print
channels by employees. In addition, the findings suggest that social media, which has been recognized as an interesting and interactive outlet for employee community building, should be better utilized in organizational internal communication. Communication professionals can integrate employee blogs, internal social network sites (SNSs) like Facebook, video-sharing sites such as YouTube, and microblogging programs such as Twitter into internal communication practice. In particular, employee blogs can be used to share company news, information, social events, big wins, and best practices, and to solicit input and participation from employees. Employees should be encouraged to use such platform to express ideas, opinions, and concerns. Internal SNSs, as the most personal, interactive, social and communicative channel (Men & Tsai, 2011), have the potential to blur the communication hierarchies within the organization. Such channels can also be used to build employees’ sense of community, boost their connection and engagement, and plant their deep and long-lasting roots in the organization. Video-sharing sites such as YouTube channels can be used to facilitate top management communication with employees. For example, Lam (2012) suggests that companies can slot one executive a week for a short YouTube video discussing company plans, offering advice, and sharing insight. This practice will allow employees to connect with company leaders on a mentorship level rather than on a leadership level. Lastly, microblogging programs are effective channels for brevity and quick snippets of information and conversation. In summary, organizations should take better advantage of new media technologies to develop a full-fledged internal communication system that is effective for employees.

Fourth, by demonstrating the significant positive influence of organizational strategic leadership style on internal communication practice and outcomes, this study suggests that public relations can be affected by management effectiveness and
leadership behavior. The realm of public relations interacts with other subsystems in
the organization in achieving business goals and objectives. For best practices of
public relations, all influencing contextual factors such as leadership, organizational
culture, structure, and diversity (L. Grunig et al., 2012; Men, 2011a, b; Men & Stacks,
2012) should be considered to develop an inherently cross-enterprise and optimized
communication system encompassing all leaders, managers, and employees. In such
an integrated communication system, leaders are also the tenets that play a
galvanizing role because they interact with employees on a daily basis and are
perceived as trustworthy sources by employees (Berger, 2008; Men & Stacks, 2012).
What leaders communicate and how they communicate with their followers is clearly
influential to the attitudes and behaviors of employees. Therefore, the organization
must provide the right information aligned with organizational values and goals to
managers at all levels, provide necessary training sessions to equip them with
effective transformational and authentic leadership style that will facilitate strategic
internal communication, and develop their leadership communication competence and
skills. Expanding the line of communication to leaders at all levels and to every
employee in the organization could maximize the impact of the organization’s
communication efforts (Turner, 2011).

Additionally, for public relations managers, organizational C-Suite, and other
leaders, the study indicates that effective leadership behaviors not only affect
employee motivation, productivity, and performance (Castro et al., 2008), but also
cultivate quality organization–employee relationship, shape the favorable cognitive
presentation of employees toward the organization, and engage employees by
influencing the organization’s communication system. As such, leaders in the
organization should develop visionary, charismatic, inspiring, relationship-oriented,
and empowering transformational leadership style and ethical, accountable, balanced, and relational-transparent authentic leadership style. In particular, from a communication perspective, leaders should provide a compelling and inspiring vision consistent with the organizational values and goals, communicate high performance expectations to show trust in the employees, and provide a role model in action. Leaders should communicate their interest and concern based on the needs, individual feelings, and well-being of their followers, and provide conditions for their growth and career development. More importantly, leaders should foster two-way communication. Besides authentically and transparently talking to employees, they should listen to employees, stimulate and solicit perspectives and ideas from them, and engage them in decision making. Once employees are involved, they will feel a sense of ownership which will motivate them to contribute voluntarily. Last but not least, leaders should be consistent in their values and deeds and be fair and balanced in their communication with employees.

In practice, leaders can set up suggestion boxes that will enable them to listen to employees, solicit opinions and ideas, and facilitate upward communication. Open door policies of top management can also be adopted, which means that during a particular set-up time, anyone from any level in the organization can walk in and discuss issues on their minds. In addition, “walking the talk/job” can be a valuable mechanism for encouraging two-way communication. Managers can walk around the office and have informal chats with employees to get an idea of what is on their mind (Peters & Waterman, 1982). Such face-to-face interaction is crucial because employees generally prefer interpersonal channels to communicate with leaders than mediated channels. On top of that, formal methods such as employee interviews and focus groups are also important in obtaining employee feedback and engaging their
participation. Most importantly, communication not only lies in talking and listening but also in actions. Organizations need to incorporate employee opinions in policies and decisions, and send out the message that employee inputs are acknowledged and valued, thus truly empowering and engaging them.

**Limitations and Directions for Future Research**

Although this study contributed to public relations research and practice in a number of ways, several limitations have been encountered. The following section reports the potential theoretical limitations and methodological problems that might have occurred in the data collection and analysis. Based on the discussions, this study concludes with suggestions for future theorists and researchers.

**Limitations of the Study**

*Theoretically,* the study aimed to propose a normative model of leadership influence on internal communication. Only two effective leadership styles, two strategic communication strategies, and three representative communication outcomes were included in the model to delimit the dissertation. Nevertheless, other factors such as organizational culture, organizational structure and infrastructure, diversity issues, (L. Grunig et al., 2002; Men & Stacks, 2012) and dispositional factors of employees may also influence internal communication effectiveness. As such, the model might have been misspecified to a certain degree because it is not possible for a researcher to account for all potential causal elements in the hypothesized model (Yang, 2007). Therefore, this study is only suggestive in this regard. Future researchers can identify and incorporate other relevant predictors to further develop the model.

Second, the current study draws on limited existing literature from public administration, management, and public relations to conceptualize employee engagement. Similar to Kang (2010), this study defines engagement as a *positive*
psychological and behavioral outcome opposed to disengagement or burnout. However, as noted by Kang, engagement is not necessarily an inherent positive concept because there might be engagement in negative emotions and activities. A more inclusive definition and measure of engagement should be developed in the future to capture the continuous nature of engagement, such as encompassing the negative and positive end of engagement and disengagement as the neutral point. In addition, although this study clearly measured employee engagement at the organizational level as a corporate communication outcome, the notions of job/work engagement and organizational engagement of employees should be more noticeably distinguished by future theorists because different types of engagements may be driven by different factors.

Methodologically, although a cross-sectional survey design accompanied by the SEM method can draw causal conclusions from a combination of observational data and theoretical assumptions (Kline, 2005), such interpretation should be cautious because a true causation could hardly be established without a carefully controlled experimental setting. Self-report method may also be susceptible to social desirability bias and tap only the perceived, as opposed to felt or actual leadership style (P. Podsakoff, MacKenzie, Lee, & N. Podsakoff, 2003), communication strategy, or organization–employee relationship. In addition, a triangulated approach incorporating multiple methods such as documentary analysis, in-depth interview, focus group, or participant observation would have provided more in-depth and valid explanations about how the model actually works.

A second methodological limitation may come from the common source measurement; that is, the study only adopted a single-employee perspective in examining leadership, communication strategies, and outcome variables. Previous
scholars have noted that a desired model of organization–public relationships should reflect the evaluation of both relational parties: the organization and the public (Broom et al., 2000; Hon & J. Grunig, 1999; Hung, 2006; Yang, 2007). Similarly, the study acknowledges that incorporating insights from communication professionals and organizational leaders should provide a more complete picture and a more comprehensive understanding of the examined variables and the hypothesized model. Measuring these focal concepts from different sources can also rule out potential common method bias.

Third, generalization of the findings in this study can only be limited to large and medium corporations in the United States. Small companies or non-profit organizations were excluded from the study population because they were believed to have different leadership dynamics and communication characteristics from medium and large corporations. Therefore, although the use of probability sampling strategy improves the generalizability of the study, organizations outside the scope of the current study or those in other cultural settings should be careful when making references from the findings.

Fourth, although the study used multiple methods (i.e., pretest, preliminary study, CFA) to ensure the reliability and validity of the measures, several latent variables showed unsatisfactory construct or discriminant validity. In particular, the fit of the CFA model for organization–employee relationship was not satisfactory due to the high correlation between the commitment and satisfaction dimensions. A post-hoc solution was made by allowing the measurement error of commitment and satisfaction to covariate in the model, which recognized the possibility of a common factor outside of the model leading to both variables. This finding was noteworthy and should be further speculated in future research because there might be a possibility
that relational satisfaction is a precursor to relational commitment. In addition, the
discriminant validity of transformational leadership and authentic leadership was
questionable due to a relatively high correlation. Although this was expected to some
extent because leadership scholars have recognized the construct overlap between the
two leadership styles, theorists should still distinguish and measure the two constructs
to avoid theory redundancy before moving forward to the next step of nomological
network development.

The final methodological limitation pertains to the use of SEM statistical
methods. Compared to regression analysis, SEM has the advantage of testing
mediation effects and modeling measurement errors as well as unexplained variances
(Kline, 2005). However, results from SEM analysis are ambiguous in terms of how
each theoretical dimension of a multidimensional construct affects variables in the
model. For example, is self-awareness, relational transparency, internalized moral
perspective, or balanced processing dimension of authentic leadership most important
in influencing organization–employee relationship? Although such questions are
divergent from the purposes of the current study, these could be informative and
implicative for public relations scholars and practitioners. Further analysis can be
conducted in the future using other statistical methods such as regression analysis to
investigate such questions.

Suggestions for Future Research

This study sought a systematic understanding of the relationships between
strategic leadership, effective internal communication strategies, and communication
outcomes through the development of a normative model using SEM. Although it was
difficult to incorporate all potential predictors, the model was proposed based on
extensive theories and comprehensive conceptualization, and tested on a sample
representative of the study population and appropriate for testing the theory. The findings were believed to serve as an adequate starting point for future researchers to further investigate the variables involved, test the model, and expand the theories of public relation “excellence” and “effectiveness.” The following directions are suggested for future research(ers).

First, a critical first step should be taken using qualitative research methods such as in-depth interview, focus group, and participant observation to generate more detailed, descriptive, in-depth, and contextual understanding of the proposed model. Such a “thick description” approach can provide richer data to questions of “why” and “how” (Lincoln & Guba, 1985). For example, why is leadership important for organizational internal communication? How exactly does transformational leadership or authentic leadership influence organizational symmetrical communication? How does transparent communication influence organization–employee relationship? An open-ended qualitative approach is also helpful in identifying new potential mediators or moderators for the effects revealed in this study.

Second, similar to the development of other theories, replication procedures are critical to cross-validate the results obtained from this study. Future research can test the model using different samples from a variety of organizational or cultural settings. For example, does the model apply to employees working in small organizations? Does the theory still work for non-profit organizations, or does it apply to organizations in other cultures such as Asian societies? One may argue that leadership may exert a different degree of influence on employee communications in Asian organizations compared to Western organizations because people in collectivist societies may have different attitudes toward power (Hofstede & Hofstede, 2005) compared to individualist cultures.
Third, as previously noted, future researchers can incorporate other possible influencers of employee communication, such as organizational culture, organizational structure, diversity issues, job-related factors, and so on, to further test the model and expand the nomological network of effective internal communication. Also, to better understand the phenomenon, it would be helpful to examine the issues from the perspective of the organization. Organizational leaders or public relations managers may voice different opinions from employees regarding the research problems. As such, a more complete picture should be drawn while controlling the common source of measurement error.

Fourth, the model can be expanded to other scenarios of corporate communication with external publics such as consumers, community, investors, and so on. For example, it would be interesting to examine how consumer or community engagement is influenced by strategic communication strategies (i.e., symmetrical communication and transparent communication) and organizational leadership. External stakeholders may have distinct expectations about the aspects of organizational transparency because they may have different information needs from internal employees. Furthermore, given that organizational leadership is more visible and relevant to employees than to external publics, it is possible that leadership behavior demonstrates little effect on consumer or community engagement. Alternately, there might be a connection between senior leadership (i.e., CEO) image and external stakeholder perception and engagement because CEOs represent the organization to external publics. Thus, future endeavors could empirically verify these predictions and further develop the theory developed in this study.

Fifth, future research should devote more efforts to theorizing public engagement. This study has pointed out the differences between the concept of public
engagement and organization–public relationship. Organization–public relationship can be a critical precursor of engagement, and public engagement is an outcome of strategic communication and organization–employee relationship, and is more directly related to supportive behaviors (Kang, 2010). As engaging publics into participation, collaboration, involvement, and supportive actions has become a new agenda of public relations, especially in the age of social media (Edelman, 2008), more research should be conducted to better address the conceptualization and measurement issues of public engagement and develop its nomological model. For example, other than what has been examined, what other factors would have driven employee engagement? How are the antecedents of employee engagement different from the predictors of consumer or community engagement? How are online public engagement strategies different from those of off-line settings? Answers to these questions will provide guidance for contemporary best practices of public relations and will better help the organization achieve its business goal.

Finally, future studies can examine the non-recursive links between organization–employee (public) relationship, organizational reputation, and employee (public) engagement. This study suggested a causal order that good relationships with employees lead to favorable employee evaluation of organizational reputation and employee engagement, and favorable internal reputation affects employee engagement. One may argue that the effect could be reversed; that is, higher employee engagement level may lead to a better relationship and more favorable evaluation of organizational reputation, and better reputation leads to better relationship. If it could work either way, it is indicative of a non-recursive model. Future researchers can better solve this problem by testing the effects using longitudinal designs where concepts of relationships, reputation, and engagement are
measured over time. Alternatively, a non-recursive model of organization–employee (public) relationship, organizational reputation, and employee (public) engagement can be tested using SEM, the effect sizes of which can then be compared with those of a recursive model.
APPENDIX A

INVITATION LETTER TO PARTICIPANT COMPANIES

Dear Mr./Ms. XX,

Hope the e-mail finds you well. I am Rita Men, a doctoral candidate of public relations at the University of Miami working with Dr. Don Stacks. Currently, I am working on my dissertation which looks at how corporate leadership and strategic internal communication can influence employee engagement and internal relations.

We would like to invite you and your company to participate in this study. To participate in this research, a random sample of employees in your company will be invited to visit a website to complete an on-line questionnaire. The survey should take around 15 minutes, with questions asking employees’ opinions on the company’s internal communication, employee relationship with the company, and their engagement level. All participants’ responses from employees and identity remain strictly confidential and anonymous. The results will be used only for academic purpose. The name of your company will not be identified at any time without your permission.

On completion of the study, we will send you an executive summary of research findings. Or if you are interested, I will also be glad to present the findings to your management team and provide free consultancy based on your needs. The findings can help you better understand your employees’ attitudes, more effectively communicate with them, and engage them. Our timeline is to conduct the survey in February, and the study will be completed by May.

If you are willing to participate in this research or if you have any questions, please do not hesitate to contact me at: l.men@umiami.edu or+1-973-818-8801 or my
faculty advisor, Dr. Don Stacks at: don.stacks@miami.edu or: +1-786-457-4710.

Thank you very much for your time, and your kind consideration. We look forward to your reply.

Best Regards,

Rita Men
Dear participant,

This is an academic study that attempts to assess some of the attributes associated with leadership, organization’s authentic and transparent communication, and how they influence employees’ level of engagement. The research involves answering a number of questions which should take approximately 15 minutes. If you choose to participate, your responses will be totally anonymous and confidential. Please be noted that only the researchers will see the individual survey responses.

The results of this survey will help scholars understand leadership dynamics and how it relates to effectiveness of employee communication. Your participation will be contributing to the knowledge of corporate communication. We hope you choose to help us with this research.

Your participation is voluntary. You are free to withdraw your participation from this study at any time. If you do not want to continue, you can simply leave this website. If you do not click on the "submit" button at the end of the survey, your answers and participation will not be recorded. If you have any questions regarding this study, please feel free to contact me, Rita Men at l.men@umiami.edu, or my advisor Dr. Don. W. Stacks at: don.stacks@miami.edu.

Thank you so much for your help! We appreciate your participation.

To start the survey, please click on the >> button below and to move between pages.
<table>
<thead>
<tr>
<th>ITEM</th>
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<tbody>
<tr>
<td>My manager articulates a vision.</td>
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<tr>
<td>My manager provides an appropriate model.</td>
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<tr>
<td>My manager facilitates the acceptance of group goals.</td>
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<tr>
<td>My manager makes it clear that he/she expects a lot from us all of the time.</td>
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<tr>
<td>My manager shows respect for my personal feelings.</td>
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<tr>
<td>My manager challenges me to think about old problems in new ways.</td>
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<tr>
<td>My manager describes accurately the way that others view his/her abilities.</td>
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</tr>
<tr>
<td>My manager shows that he/she understands his/her strengths and weaknesses.</td>
<td></td>
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<tr>
<td>My manager is clearly aware of the impact he/she has on others.</td>
<td></td>
</tr>
<tr>
<td>My manager clearly states what he/she means.</td>
<td></td>
</tr>
<tr>
<td>My manager openly shares information with others.</td>
<td></td>
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<tr>
<td>My manager expresses his/her ideas and thoughts clearly to others.</td>
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<tr>
<td>My manager shows consistency between his/her beliefs and actions.</td>
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<tr>
<td>My manager uses his/her core beliefs to make decisions.</td>
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<tr>
<td>My manager resists pressures on him/her to do things contrary to his/her beliefs.</td>
<td></td>
</tr>
<tr>
<td>My manager is guided in his/her actions by internal moral standards.</td>
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</tr>
<tr>
<td>My manager asks for ideas that challenge his/her core beliefs.</td>
<td></td>
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<tr>
<td>My manager carefully listens to alternative perspectives before reaching a conclusion.</td>
<td></td>
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<tr>
<td>My manager objectively analyzes relevant data before making a decision.</td>
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<tr>
<td>My manager encourages others to voice opposing points of view.</td>
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</table>
Part II: Please indicate the number that best describes the extent to which you agree with each statement regarding your manager/your company’s communication with you. 1= “Strongly Disagree”; 2= “Disagree”; 3= “Slightly Disagree”; 4= “Neither Disagree Nor Agree”; 5= “Slightly Agree”; 6= “Agree”; 7= “Strongly Agree.”

Most communication between management and other employees in this organization can be said to be two-way communication.

This company encourages difference of opinions.

The purpose of communication in this organization is to help management be responsive to problems of other employees.

I am comfortable talking to my manager when things are going wrong.

The company asks for feedback from people like me about the quality of its information.

The company involves people like me to help identify the information I need.

The company provides detailed information to people like me.

The company makes it easy to find the information people like me need.

The company asks the opinions of people like me before making decisions.

The company takes the time with people like me to understand who we are and what we need.

The company provides information in a timely fashion to people like me.

The company provides information that is relevant to people like me.

The company provides information that can be compared to previous performance.

The company provides information that is complete.

The company provides information that is easy for people like me to understand.

The company provides accurate information to people like me.

The company provides information that is reliable.

The company presents more than one side of controversial issues.

The company is forthcoming with information that might be damaging to the organization.

The company is open to criticism by people like me.

The company freely admits when it has made mistakes.

Which form of media do you most prefer to receive information about your company (e.g., new decisions, policies, events, changes, etc.)? Please check top THREE.

- Print channels, such as memos, brochures, newsletters, reports, policy manuals, and posters
- E-mail
- Phone and voice mail
- Company website
- Social media (twitter, facebook, blog, etc.)
- Face-to-face employee meetings
- Video conferencing
- Interpersonal communication with my direct manager
- Other (please specify)

**Which form of media does your company most commonly use to communicate with you (e.g., regarding new decisions, policies, events, changes, etc.)? Please check top THREE.**

- Print channels, such as memos, brochures, newsletters, reports, policy manuals, and posters
- E-mail
- Phone and voice mail
- Company website
- Social media (twitter, facebook, blog, etc.)
- Face-to-face employee meetings
- Video conferencing
- Interpersonal communication with my direct manager
- Other (please specify)

**How often does your manager use the following media to communication with you?** (1= “Least often”, 7= “Most often”)

- E-mail
- Face-to-face interactions
- Internal instant messenger
- Internal wiki (e.g., SharePoint)
- Social media (twitter, facebook, blog, etc.)

**To what extent do you prefer to use the following media to communicate with your manager?** (1= “Least preferable”, 7= “Most preferable”)

- E-mail
- Face-to-face interactions
- Internal instant messenger
- Internal wiki (e.g., SharePoint)
- Social media (twitter, facebook, blog, etc.)
Part III: Please indicate the number that best describes the extent to which you agree with each statement regarding your relationship with your company. 1= “Strongly Disagree”; 2= “Disagree”; 3=”Slightly Disagree”; 4= “Neither Disagree Nor Agree”; 5=”Slightly Agree”; 6= “Agree”; 7= “Strongly Agree.”

<table>
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<tbody>
<tr>
<td>Whenever this company makes an important decision, I know it will be concerned about me.</td>
</tr>
<tr>
<td>This company can be relied on to keep its promises.</td>
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<tr>
<td>I believe that this company takes my opinions into account when making decisions.</td>
</tr>
<tr>
<td>I feel very confident about this company’s skills.</td>
</tr>
<tr>
<td>This company does not have the ability to accomplish what it says it will do (R).</td>
</tr>
<tr>
<td>This company and I are attentive to what each other say.</td>
</tr>
<tr>
<td>This company believes my opinions are legitimate.</td>
</tr>
<tr>
<td>In dealing with me, this company has a tendency to throw its weight around (R).</td>
</tr>
<tr>
<td>This company really listens to what I have to say.</td>
</tr>
<tr>
<td>The management of this company gives me enough say in the decision-making process.</td>
</tr>
<tr>
<td>I feel that this company is trying to maintain a long-term commitment to me.</td>
</tr>
<tr>
<td>I can see that this company wants to maintain a relationship with me.</td>
</tr>
<tr>
<td>There is no long-lasting bond between this company and me (R).</td>
</tr>
<tr>
<td>Compared to other organizations, I value my relationship with this company more.</td>
</tr>
<tr>
<td>I would rather work together with this company than not.</td>
</tr>
<tr>
<td>I am happy with this company.</td>
</tr>
<tr>
<td>Both the organization and I benefit from the relationship.</td>
</tr>
<tr>
<td>I am not happy in my interactions with this company (R).</td>
</tr>
<tr>
<td>Generally speaking, I am pleased with the relationship this company has established with me.</td>
</tr>
<tr>
<td>I enjoy dealing with this company.</td>
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Part IV: Please indicate the number that best describes the extent to which you agree with each statement regarding your overall evaluation towards your company. 1= “Strongly Disagree”; 2= “Disagree”; 3=”Slightly Disagree”; 4= “Neither Disagree Nor Agree”; 5=”Slightly Agree”; 6= “Agree”; 7= “Strongly Agree.”

<table>
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<tr>
<td>I feel good about the company.</td>
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<tr>
<td>I admire and respect the company.</td>
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<tr>
<td>I have been happy with the company’s profitability.</td>
</tr>
<tr>
<td>I believe the company has strong future growth prospects.</td>
</tr>
<tr>
<td>There is low risk investing in this company.</td>
</tr>
<tr>
<td>The company outperforms its competitors.</td>
</tr>
<tr>
<td>The company can well identify its market opportunities.</td>
</tr>
<tr>
<td>The company is a leader in the (name of the industry) industry.</td>
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</tbody>
</table>
The company has a clear vision for the future.
The company is a good place to work for.
The company has good employees.
The company rewards employees fairly.

**Part IV:** Please indicate the number that best describes the extent to which you are engaged with your company. 1 = “Strongly Disagree”; 2 = “Disagree”; 3 = ”Slightly Disagree”; 4 = “Neither Disagree Nor Agree”; 5 = ”Slightly Agree”; 6 = “Agree”; 7 = “Strongly Agree.”

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<thead>
<tr>
<th>ITEM</th>
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<tr>
<td>One of the most exciting things for me is getting involved with things happening in this company.</td>
<td></td>
</tr>
<tr>
<td>I am really not into the “goings-on” in this company.</td>
<td></td>
</tr>
<tr>
<td>Being a member of this company makes me come “alive.”</td>
<td></td>
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<tr>
<td>Being a member of this company is exhilarating for me.</td>
<td></td>
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<tr>
<td>I am highly engaged in this company.</td>
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<tr>
<td>I am enthusiastic about this company.</td>
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</tr>
<tr>
<td>I am proud of this company.</td>
<td></td>
</tr>
<tr>
<td>I am attentive to this company’s activities.</td>
<td></td>
</tr>
<tr>
<td>I am actively involved with this company.</td>
<td></td>
</tr>
<tr>
<td>I believe I can make a difference in what happens in this company.</td>
<td></td>
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<tr>
<td>I am determined to be involved for the development of this company.</td>
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</tr>
<tr>
<td>I believe I have a great deal of control over the decision-making process of this company.</td>
<td></td>
</tr>
<tr>
<td>I am confident about my abilities to improve the company.</td>
<td></td>
</tr>
<tr>
<td>I believe I can collaborate with this company as a valuable partner.</td>
<td></td>
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</tbody>
</table>
Part VI: Personal Profile:

1. Gender: _____ Female _____ Male
2. What is your age? ______
3. What is your highest education degree completed?
   - No College (Secondary Education or below)
   - Vocational Level (including Diploma, Higher Diploma and Associate Degree)
   - Some College
   - A Bachelor’s Degree
   - A Master’s Degree
   - A Doctoral Degree
4. What is your annual income?
   - Less than 10,000
   - 10,000-29,999
   - 30,000-49,999
   - 50,000-69,999
   - 70,000-89,999
   - 90,000-109,999
   - 110,000-129,999
   - 130,000-149,999
   - 150,000-179,999
   - 180,000-200,000
   - More than 200,000
5. How many years have you worked in this company?
6. What is your level of position in your company?
   - Top management
   - Middle level management
   - Lower level management
   - Non-management
7. What is your manager’s level of position in your company?
   - Top management
   - Middle level management
   - Lower level management
8. What industry is your company in? ___________

End of the Questionnaire
Thank you very much for your cooperation!
REFERENCES


Cutlip, S. M., Center, A.H. and Broom, G.M. (2005), Effective public relations (9th ed.), Prentice-Hall, Upper Saddle River, NJ.


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