# A NEW FRAMEWORK FOR STRENGTHENING INTERNAL CORPORATE IMAGE: A STAKEHOLDER-INCLUSIVE PERSPECTIVE

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## ABSTRACT

The potential influence that internal stakeholders' image of the organisation could have on external stakeholders' image of the organisation, is strongly supported in the literature. This research project attempted to address the need for an approach that facilitates employee engagement coupled with a leadership approach that allows collaboration, inclusion and co-operation within the organisation, to strengthen the internal corporate image. This article reports on the results of the second phase of this research project where a proposed stakeholder-inclusive conceptual framework for strengthening the internal corporate image, built from a stakeholder-inclusive perspective as depicted in the King III report on corporate governance, was explored in practice. A quantitative, self-administered web-based survey was conducted with the 2014 winners of the Deloitte Best Company to Work For (BCTWF) survey. The results not only indicated that these organisations' practices resonate with the proposed stakeholder-inclusive framework, but also that the principles of the framework, namely; stakeholder theory; integrated internal communication; peace arena; stakeholder engagement by means of the AA1000 Stakeholder Engagement Standard (AA1000SES) and responsible leadership; and stewardship correlate with one another. The stakeholder-inclusive conceptual framework expands on the body of knowledge on corporate image and provides corporate communication professionals with a guide for strengthening their organisation's internal corporate image which could serve as starting point for strengthening the external corporate image and eventual corporate reputation.

## 1. INTRODUCTION

It is widely reported that the images of employees, therefore the internal stakeholders of the organisation, could have an impact on external stakeholders' image of the organisation (Rensburg & De Beer 2011, 160; Cravens, Goad Oliver & Ramamoorti 2003, 205). Employee relations is regarded as one of the core contributors to corporate reputation together with financial performance and corporate citizenship (Zerfass & Holtzhausen 2015, 12). Loyalty of customers and other stakeholders to the organisation is also directly linked to the loyalty that employees have for the organisation. If employees do not trust the organisation they work for, it is most likely that they will openly voice their thoughts and feelings about the organisation, which could be detrimental to the overall reputation of the organisation and result in the dissolution of its successes (Dortok 2006, 325). Conversely, it is also essential for employees to be associated with a reputable organisation (Helm 2011, 657) because employees' pride in their organisation is a key indicator of organisational effectiveness (Pruzan 2001, 53).

Existing research that recognises the central role that employees play in the formation of an organisation's corporate image and reputation includes, among others: the general exploration of employees' influence on corporate image and reputation building and management (Magee 2012; Dortok 2006; Cravens & Goad Oliver 2006; Cravens et al. 2003); employees' awareness of their influence on the corporate reputation (Helm 2011); and the development of measuring instruments to assess employees' and customers' perceptions of the corporate image and reputation (Davies, Chun, Da Silva & Roper 2004). It is however argued that, in order to build and maintain a positive corporate image, employee engagement is essential (Helm, 2011). This implies that employees should be engaged in the decision-making processes of the organisation, which would, ultimately require a relational leadership approach that facilitates collaboration and co-operation in the organisation (Maak & Pless 2006a, 100). Although research has been conducted on the link between stakeholder engagement and corporate reputation (Romenti, 2010), a gap in the literature exists to provide corporate communication professionals with an approach on how stakeholder engagement coupled with a collaborative leadership approach could be applied to build the corporate reputation, with specific emphasis on employees as foundation. To address this gap, it is necessary to provide an approach to build the corporate

image as starting point. Consequently, the research reported in this article proposes a new conceptual framework to strengthen the internal corporate image (from an internal organisational stakeholder perspective) based on the stakeholder-inclusive approach as depicted in the King III Report on corporate governance (Institute of Directors of South Africa [IoDSA], 2009).

## 2. RESEARCH PROBLEM

This article serves as the second phase of a research project that aimed to address the research problem of determining whether the implementation of a stakeholder-inclusive approach could strengthen the internal corporate image of the organisation by means of the AA1000 Stakeholder Engagement Standard (AA1000SES) elements and responsible leadership to establish stewardship among employees. The first phase of the research project focused on conducting a synthesis of the literature from a unique stakeholder-inclusive perspective to identify the theoretical principles for a preliminary conceptual framework, which was empirically explored by means of a case study approach. Parsec Technologies Pty Ltd, a privately owned engineering organisation, was purposively selected for the case study as it was the 2012 and 2013 winner in the manufacturing sector of the Deloitte Best Company to Work For (BCTWF) survey, and served as a best practice organisation in the context of the research project. Data triangulation by means of one-on-one interviews, focus groups and an open-ended survey was conducted with the employees at Parsec Technologies to determine the pragmatic relevance of the preliminary conceptual framework. The exploration of the literature and insights obtained from data collection culminated in a new, generic stakeholder-inclusive conceptual framework to strengthen the internal corporate image. The second phase of the research project, which is the focus of this article, aimed to address the following research questions: 1) Does the stakeholder-inclusive conceptual framework resonate with organisations with a strong internal corporate image? 2) Do the principles of the stakeholder-inclusive conceptual framework correlate with one another? To address these research questions, the principles of the stakeholder-inclusive conceptual framework were further explored through a quantitative, self-administered web-based survey with the 2014 Deloitte BCTWF survey winners.

The remainder of the article will provide an overview on the key concepts of this study followed by a description of the theoretical principles of the proposed stakeholder-inclusive conceptual framework. An elaboration on the research methodology will be provided followed by the reporting and interpretation of the results. A graphical depiction of the proposed stakeholder-inclusive framework will be provided followed by an elaboration on the integration and

implementation thereof. This article will conclude with the limitations and contributions of the study and recommendations for future research.

## 3. DEFINITIONS OF KEY CONCEPTS

Numerous schools of thought, approaches and perspectives are applied to the concepts of corporate reputation, corporate image and corporate identity (Van der Waldt 2015; Balmer, 2008; Bick, Abratt & Bergman 2008; Bendixen & Abratt 2007; Van Riel & Fombrun 2007; Balmer & Greyser 2005; Balmer 2001; Pruzan 2001; Van Riel & Balmer 1997). Although a corporate branding, customer-centric perspective is often prevalent in corporate image literature (Davies et al 2004; Argenti & Druckenmiller 2004), the current research was built from a broad, corporate communications perspective, which is perceived as a function that regards communication as a strategic function to manage all organisational communication to enable the organisation to build a favourable reputation and sustainable relationships with internal and external stakeholders (Cornelissen 2011, 7). Based on this broader perspective, the strategic school of corporate identity (Hatch & Schultz 2000, 14; Cornelissen 2011, 60-69), whereby corporate identity is defined as part of a strategic process linking corporate strategy, corporate image and corporate reputation, was adapted for the purpose of this article. This implies that corporate reputation will be defined in terms of its interconnectedness with corporate image and corporate identity. Although there are other variables that assign meaning to the concept of corporate reputation (such as corporate brand and corporate personality) (Van der Walt 2015, 108), the focus of this research was on this interconnected relationship specifically. Balmer and Greyser's (2005, 19) three definitions for corporate reputation, corporate image and corporate identity were accepted in support of this interconnected relationship: *Corporate reputation* is regarded as the perception that an individual or group has about the organisation over time. *Corporate image* is the perception that an individual or group has about the organisation at a specific point in time. At the heart of corporate reputation and corporate image lies *corporate identity*, which encapsulates the visual manifestation and the central idea of the organisation; or differently put, the self-portrayal and key traits of the organisation. The support of this interconnected relationship in defining corporate image could be perceived as characteristic of a modernistic paradigm guided by the voice of organisational management or somewhat outdated. However, postmodern theorists highlight that despite the contemporary role of (strategic) communication as purposeful communication of the communication agent on behalf of the communicative entity in the public sphere, strategic communicators are still required to do a lot of work outside the public sphere (Zerfass & Holtzhausen 2015, 4) which is arguably,

modernistic in nature. The guidelines that will be proposed by the stakeholder-inclusive conceptual framework are a key example of this.

An organisation can have many different images, depending on the stakeholders involved (Van der Walt 2015, 107). The focus of this article is on internal corporate image specifically, which is based on Gioia's (2000) distinction between the internal and external stakeholder orientation of corporate image. Therefore, internal corporate image is defined as the perception that employees (as internal organisational stakeholder) have about the organisation at a specific point in time. Employees constitute all lower-level employees and day-to-day management in teams, departments and divisions, excluding members of strategic management (Welch & Jackson 2007, 200). In terms of this study, employees as an internal organisational stakeholder group also included members of strategic management, but a distinction between the leader of the organisation (Chief Executive Officer); management (strategic management and day-to-day management); and general employees (non-management) was made. Based on these definitions and the focus of this article on the potential influence that the internal corporate image might have on external corporate image (external stakeholders' perception of the organisation at a specific point in time), it is argued that a method for strengthening the internal corporate image could serve as starting point for strengthening the external corporate image and eventual corporate reputation.

## 4. DESCRIBING THE THEORETICAL PRINCIPLES OF THE STAKEHOLDER-INCLUSIVE CONCEPTUAL FRAMEWORK

The theoretical principles that comprise the stakeholder-inclusive conceptual framework are as follows: Stakeholder theory (specifically the normative paradigm and relational view); integrated internal communication; the peace arena from the arena model of reputation; stakeholder engagement as a tool to achieve stakeholder inclusivity through the AA1000SES elements and responsible leadership; and stewardship.

**Stakeholder theory:** The stakeholder theory (Freeman 1984) concentrates on the maximisation of value for all stakeholders that is aligned with the organisation's strategy to ensure the fulfilment of mutually beneficial objectives for both the organisation and stakeholder (Freeman, Harrison, Wicks, Parmar & De Colle 2010, 28). The normative paradigm, as a derivative of the stakeholder theory (Donaldson & Preston 1995) is specifically oriented towards establishing a relationship between the organisation and stakeholders within an ethical and morally acceptable

framework (Mainardes, Alves & Raposo 2011, 233). This paradigm is also congruent with the relational view of strategic management, which underscores the original intention of the stakeholder theory of viewing the organisation and its stakeholders in two-way relationships (Freeman et al. 2010, 95). The relationship between management and general employees is not oriented towards achieving the self-interests of the organisation, but mutually beneficial objectives that are based on high ethical and moral standards.

**Integrated internal communication:** Integrated internal communication is a multidisciplinary approach to all communication in the organisation (Kalla 2005, 310) with an emphasis on message consistency to avoid message fragmentation (Welch & Jackson 2007, 182). This approach emphasised that an organisation's competitive advantage lies within effective internal knowledge sharing, which "is the formal and informal exchanges through ongoing social interaction, which mobilizes knowledge that is dispersed around the organization" (Kalla 2005, 310). It should be noted that knowledge sharing has to be studied in conjunction with knowledge creation (Barker 2011, 105), which can be defined as the process of obtaining and strengthening knowledge that was created by individuals and integrating it with an organisation's existing knowledge system (Nonaka, von Krogh & Voelpel 2006, 1179). This implies that the knowledge that employees obtain benefits fellow colleagues and ultimately, the organisation as a whole. Integrated internal communication is also closely related to the responsiveness dimension of strategic management (Rensburg & De Beer 2011, 162), which is, among others, dependent on the learning and innovative capability of the organisation (Katsoulakos & Katsoulakos 2007, 360). Learning is dependent on the collaboration motivation of knowledge network members and their capacity for knowledge absorption, which could ultimately be facilitated by stakeholder engagement. Therefore, it could be argued that the process of knowledge creation and sharing stems from a collaborative corporate climate (fostered by the leader of the organisation) enabling employees to absorb and ultimately apply the knowledge obtained from fellow colleagues. A collaborative corporate climate in the context of this study refers to "mutually sharing norms of behaviour" (Yang, 2007, p. 532). Integrated internal communication does not only provide alignment between various internal communication messages sent from different channels in the organisation, but also facilitates knowledge creation and sharing as a measure to create understanding, commitment, belonging and awareness among employees which is, in essence, the goals of internal communication (Welch & Jackson 2011, 118).

**Peace arena:** Aula's (1996) arena model of reputation emphasises the duel function that communication could have in building the organisation's reputation. A reputation arena

represents the domain/context of the communication between the organisation and stakeholders (Aula & Mantere 2013, 343). The four arenas (peace, defence, offense and riot) proposed by this model are based on two acts of meaning making, namely sense-giving (the communication focused on maintaining coherence among various beliefs between the organisation and stakeholder) and sense-breaking (communication aimed at breaking existing meanings with the main purpose of amending these meanings) (Aula & Mantere 2013, 344). The peace arena is of specific relevance to the proposed conceptual framework as it represents a domain of little or no contradictions where both the stakeholders and organisation are in agreement on their meanings of the organisation (Rensburg & De Beer 2011, 157). In this sense, is "sense-breaking [therefore] reciprocated with sense-giving" (Aula & Mantere 2008, 62).

**Stakeholder inclusivity through stakeholder engagement:** The stakeholder-inclusive approach obtained global significance, especially in South Africa with, among others, the publishing of the King III Report on Corporate Governance (Rensburg & De Beer 2011, 153). Stakeholder inclusivity implies that organisations give stakeholders a right to be heard and simultaneously accepting the responsibility to account to them (AA1000SES 2005, 17). Stakeholder interests are therefore considered when deciding on the best interests of the organisation (IoDSA, 2009). For the purpose of this study, stakeholder engagement is accepted as a tool to achieve stakeholder inclusivity (AA1000SES 2005, 4). Stakeholder engagement represents the organisation's endeavours to involve strategic stakeholders in decision-making, to encourage participation in organisational activities and to recognise the potential influence that one's actions might have on another (Magee 2012; Noland & Phillips 2010, 40). In order to strengthen the internal corporate image from a stakeholder-inclusive perspective, it could be argued that employees should be provided with a voice through access to decision-making and active participation in organisational activities, which could be enabled for this study through the integration of the three AA1000SES elements and responsible leadership.

*AA1000SES elements:* The purpose of the AA1000SES is to provide a generic framework to assist in improving the design quality, implementation, assessment, communication and assurance of internal and external stakeholder engagement (AA1000SES 2005, 11). It should be noted that, although there is a later edition of the AA1000SES available, the 2005 edition of the report was used in this article as it underlines the commitment to inclusivity as being governed and operationalised by the three elements of materiality, completeness and responsiveness, which ultimately serve as the building blocks of stakeholder inclusivity. The three elements can be described as follows (AA1000SES 2005, 27): Materiality emphasises that the material concerns of both the organisation and stakeholders should be known, thereby, they are the most

relevant issues for an organisation and its stakeholders; completeness stipulates that organisations should understand stakeholder concerns that relate to their material issues (views, needs and performance expectations); while responsiveness emphasises that there should be coherent responses to the identified stakeholder and organisational concerns, which could include the decisions, actions, performance, and communication related to address identified material issues.

*Responsible leadership:* Responsible leadership encapsulates the ability of a leader to have a concern and respect for others, where justice and honesty on an organisational, social and global level are of importance (Maak & Pless 2006a, 50). Three cornerstones of responsible leadership are evident from the literature, namely ethics, social capital and relationships. Responsible leadership, in this context of stakeholder inclusivity, is interpreted as an ethical and moral values-based phenomenon (Rensburg & De Beer 2011, 152). Leaders should have the mindset that employees should be treated fairly and equally and that their inputs should be heard and respected in the process of realising a commonly shared vision (Maak & Pless 2006b, 100). Ethics also focus on the quality of relationships whereby the leader should ensure that both relational parties respect and act according to certain values and that the relationship fulfils a mutual and good purpose (Maak & Pless 2006a, 51). Social capital in this context implies that, in order to build sustainable stakeholder relationships, leaders should be socialised as opposed to personalised, thus being able to act in diverse ways, align different values into a shared vision, and "listen to others, care for others and, ultimately, serve others" (Maak, 2007, 332). Lastly, it is argued that responsible leadership is the art of building mutually beneficial, sustainable relationships with stakeholders (Maak, 2007, 332). In this capacity, leaders act as the facilitators of the relationship-building process (Rensburg & De Beer 2011, 152). More specifically, Maak and Pless (2006b, 100-101), emphasise that a responsible leader has the following responsibilities in terms of employees: Teams should be led and mobilised; employees should be coached and reinforced to achieve objectives in an ethical, respectful and relational intelligent manner; incentives should be integrated to encourage respectful collaboration, to foster responsiveness and to encourage ethical behaviour; freedom of speech should be safeguarded; a healthy and safe working environment free from discrimination should be established; and a healthy work–life balance should be established.

**Stewardship:** In an organisational context stewardship could sometimes be seen as oriented towards achieving the one-way objectives of the organisation (Davis, Schoorman & Donaldson 1997). However, the perspective that stewardship is a matter of being supportive of the

partnership between management and general employees is accepted in the context of this article (Cohen 2003, 120).

Towards building a process in strengthening the internal corporate image to serve as basis for the development of a model, the relationship between the principles of the framework will be discussed in Item 6.

## 5. RESEARCH METHODOLOGY

The research design was quantitative in nature with a self-administered web-based survey as approach. Similar to the first phase of this research project, organisations with an existing positive internal corporate image were purposively selected for the second phase of the research project to determine whether the actions of these organisations are congruent with the principles of the proposed stakeholder-inclusive conceptual framework and whether the principles correlate with one another. In this regard the 2014 winners of the Deloitte BCTWF survey were selected for this article. This is an annual survey, which has been running for the past 14 years, where the inputs of employees from 113 different organisations are obtained to establish which organisations these employees considered to be the best employer to work for (Top ranked companies, 2013).

The population comprised all the employees of the organisations that were winners of the Deloitte BCTWF survey in the small, medium and large organisation and industry categories in South Africa as well as the Southern African Regional performance recognition category, and comprised 15 organisations (Best company to... 2014). Non-probability sampling, specifically convenient and purposive sampling was applied. The senior corporate communication professionals and/or human relations managers of these 15 organisations were contacted and only five organisations, namely; Atterbury Property Holdings (Pty) Ltd; ADvTECH Limited; Grundfos (Pty) Ltd; XLink Communications (Pty) Ltd; and Murray & Roberts Limited agreed and were available to partake in the study. 30 employees of each of these five organisations (selected by the senior corporate communication professionals/human resource managers) formed the sample of 150 respondents for this study. The realised sample comprised 118 respondents. However, it should be noted that not all of the 118 respondents answered all the questions of the survey. Consequently, the results reported in this article only focussed on the 104 respondents who answered all the questions of the survey.

The survey questionnaire consisted of 56 statement-based questions which were divided into six categories. The first category represented the biographical information to determine, among others, respondents' period of employment at the organisation and industry; highest level of qualification; and managerial level within the organisation. The response option used for the biographical information category was a multiple-choice, single response system (Cooper & Schindler 2003, 251) which offered five or more fixed-alternative responses of which respondents had to select the option that most accurately represented their opinion (Ligthelm 2007, 398). One question in this category was a "yes/no" question which was regarded as a dichotomous response that gave respondents two response options (Delport 2007, 175). The remaining categories focused on measuring the proposed principles of the stakeholder-inclusive conceptual framework, and included the stakeholder theory; integrated internal communication; peace arena; stakeholder engagement (which focused on measuring stakeholder engagement in general, the AA1000SES elements and responsible leadership); and stewardship. A six-point Likert scale response system was used in these categories, which is a type of multiple-choice question (Delport 2007, 177) and ideal for statement-based questions (Babbie 2007, 246). The response options of the Likert scale provided in the questionnaire included "agree very strongly"; "agree strongly"; "agree"; "disagree"; "disagree strongly"; and "disagree very strongly". The questions for each of the five categories were based on theoretical statements drawn from the literature review of the first phase of the research project.

The survey was hosted on SurveyMonkey and a brief summary of the survey, instructions and link to the survey were emailed to all respondents. To ensure the academic soundness of the questionnaire, three experts in the field were asked to evaluate the questionnaire. Furthermore, a statistical consultant was also appointed to ensure the statistical correctness of the questionnaire. After the suggested amendments from these experts were made, a pilot test was conducted. The link to the questionnaire was sent to two senior communication professionals from the sample to ensure that the link to the questionnaire worked properly and that the questions were understandable, correctly interpreted and free from unfamiliar jargon before it was sent to the actual 150 respondents of the survey.

The computer software package, SAS version 9.3, was used to analyse the data. To address the first research question of determining whether the stakeholder-inclusive conceptual framework resonates with organisations with a strong internal corporate image, descriptive analysis were conducted to determine what percentage of respondents agreed or disagreed with the items of each construct (category). Frequency tables were used to indicate the typical response for each

construct. It was further of relevance to determine whether mean differences existed between groups, specifically in terms of the following: Gender (male vs. female); period of employment at the organisation (respondents that were employed at the organisation for two or more years and those employed at the organisation for less than two years); level of qualification (respondents with a low level of qualification (matric and diploma) and those with a high level of qualification (three year degree to PHD level); and managerial level (top management, strategic management, line management and non-management). In this regard, inferential analysis was conducted by means of non-parametric Kruskal-Wallis tests, which are based on the analysis of independent random samples from $k$ populations. To address the second research question of determining whether the principles of the stakeholder-inclusive conceptual framework correlate with one another, Pearson's correlation coefficient was used.

As mentioned earlier, a pilot test, which increases the reliability of a study (Delport 2007, 163), was conducted with two senior corporate communication professionals. Furthermore, the Cronbach alpha measure was applied to measure the internal consistency or reliability of the items on the same scale (per construct). The following measures were implemented to ensure the face validity, content validity and construct validity (Delport 2007, 160-161) of the research: *Face validity* focuses on the face value of a measurement procedure, that is, whether the measurement technique looks as if it measures the intended variable. The questionnaire for this survey was evaluated by three experts and a statistical consultant to ensure a high degree of face validity. *Content validity* refers to the representativeness or sampling adequacy of an instrument, that is, the extent to which a measure includes the various meanings embedded in a particular concept. Input from these experts in the field contributed towards the content validity of the questionnaire. *Construct validity* involves determining the extent to which an instrument effectively measures a theoretically defined construct and it focuses on the relationships between variables. This was achieved in this research through item analysis, which is a measure to identify problematic questions in the questionnaire that should be rectified to ensure accurate replication of the study in future. A distinction should also be made between external and internal validity. According to Mabry (2008, 222), *external validity* in quantitative research refers to the ability to generalise findings to a larger population, while *internal validity* focuses on whether the methods that are used to generate findings can be trusted. Although the findings of this study could not be generalised to the population of this study due to the usage of non-probability sampling methods, it still provided insight into whether the principles of the framework are congruent with the actions of organisations with an existing positive internal corporate image.

## 6. REPORTING AND DISCUSSION OF THE RESULTS

This section will firstly provide a brief report on the biographical information of the respondents followed by a report on the Cronbach alpha for each construct; the descriptive statistics per construct and related mean differences per group; and correlations of the constructs.

104 respondents of the sample of 150 respondents answered all the questions in the questionnaire, which is a response rate of almost 70%. Most of the respondents were male and constituted 54.24% of the realised sample. 78.81% of the respondents have been employed by their organisation for more than two years, with 88.14% of the respondents employed within the specific industry of the organisation (property development; telecommunications and media; manufacturing; training and education; and engineering and construction) for more than two years. 50.85% of the respondents worked in the finance department of their organisation and 26.27% in the human resources department. The remaining respondents worked in other departments in the organisation such as marketing, communication and logistics. 50.85% of the respondents indicated that they have a high level of qualification (three year degree, Honours degree, Masters degree, PHD or an equivalent qualification). Most of the respondents filled a non-management position (64.41%) in their organisations, while 25.42% of the respondents were line managers (managers and senior managers); 4.25% top management (head of department); and 5.93% strategic management (executive directors).

The following codes were developed for the categories and sub-categories (specifically developed for stakeholder engagement construct) of the questionnaire to aid the data collection process: ST (stakeholder theory); IIC (integrated internal communication); PA (peace arena); SE (stakeholder engagement for the construct as a whole); SEG (questions that focused on measuring stakeholder engagement in general as a sub-category of SE); AA1000SES (questions that focused on measuring the AA10000SES elements as a sub-category of SE); SERL (responsible leadership as s sub-category of SE); and STEW (stewardship).

Prior to elaborating on the descriptive analysis of each construct, Table 1 outlines the Cronbach Alphas for all of the constructs and sub-constructs as outlined above.

**Table 1: Cronbach Alpha per construct**

| Construct | Cronbach Alpha |
|---|---|
| ST | 0.9015 |
| IIC | 0.9339 |
| PA | 0.8993 |
| SE | 0.9743 |
| AA1000SES | 0.9305 |
| SERL | 0.9796 |
| STEW | 0.8979 |

From Table 1 it could be inferred that the Cronbach Alphas for all of the constructs ranged from 0.89 – 0.97 which can be accepted as a measure of good reliability. Since the SE construct was further sub-divided during data analysis into the SEG, AA1000SES and SERL sub-constructs as explained above, it should be noted that it was not possible to apply to Cronbach Alpha measure to the SEG construct, as it consisted of only two items. Instead, the Pearson correlation coefficient measure was applied to determine the strength of linear association between these two items. The correlation between these items was 0.45084 which is statistically significant ($p<0.0001$) and implies that these two items are correlated with one another. Although the purpose of this study was to measure stakeholder engagement specifically through the AA1000SES elements and responsible leadership, more items could be added to the SEG sub-construct to obtain a better correlation in future studies.

Table 2 provides an overview on the descriptive analyses conducted per construct.

**Table 2: Descriptive analysis per construct**

| Simple Statistics | | | | | | |
|---|---|---|---|---|---|---|
| Construct | N | Mean* | Std Dev | Sum | Minimum | Maximum |
| ST | 104 | 2.00385 | 0.71867 | 208.40000 | 1.00000 | 3.40000 |
| IIC | 104 | 2.21591 | 0.62577 | 230.45455 | 1.00000 | 3.81818 |
| PA | 104 | 2.53606 | 0.81134 | 263.75000 | 1.00000 | 4.50000 |
| SE | 104 | 2.16615 | 0.72778 | 225.28000 | 1.00000 | 4.84000 |
| SEG | 104 | 2.33654 | 0.78345 | 243.00000 | 1.00000 | 4.00000 |
| AA1000SES | 104 | 2.56490 | 0.71669 | 266.75000 | 1.00000 | 4.87500 |
| SERL | 104 | 1.93077 | 0.84040 | 200.80000 | 1.00000 | 5.06667 |
| STEW | 104 | 2.21795 | 0.79068 | 230.66667 | 1.00000 | 3.66667 |

***Key:** Agree very strongly=1; Agree strongly=2; Agree=3; Disagree=4; Disagree strongly=5; Disagree very strongly=6*

From the above table the mean scores indicate that respondents predominantly "agreed strongly" or "agreed" to the principles of the proposed stakeholder-inclusive conceptual framework which emphasise that the proposed principles of the stakeholder-inclusive conceptual framework seemingly resonate with the actions of organisations with an already strong internal corporate image.

As per the theoretical principles overview provided earlier, the questions of the ST construct aimed to determine whether the respondents' organisation has high ethical and moral standards in place and whether general employees' ethical and moral standards are congruent with management's ethical and moral standards. Furthermore this construct also focused on determining if there is a mutual-beneficial relationship and shared objectives between management and general employees in realising the success of the organisation. The support of this construct by respondents and the subsequent relevance thereof to the stakeholder-inclusive conceptual framework is that the relationship between general employees and management is based on achieving mutually-beneficial objectives on a foundation of high ethical and moral standards.

The questions developed for the IIC construct focused on determining whether the messages sent through different internal communication channels in the respondents' organisations are consistent to avoid message fragmentation. It was also important to determine whether these organisations have a collaborative corporate climate to allow a collaborative working environment for new knowledge creation and whether employees actively share knowledge with one another. Furthermore, it was relevant to also measure whether respondents understand and ultimately apply the knowledge obtained from their fellow employees and if this knowledge aids in their understanding of the relevance of their work to the general functioning of the organisation. As highlighted earlier, integrated internal communication has the potential to facilitate knowledge creation and sharing to contribute towards understanding, commitment, belonging and awareness among employees which could, in turn assist employees to absorb knowledge and further apply what was learned. The positive response to this construct implies that integrated internal communication arguably creates the ideal platform for the integration of a stakeholder-inclusive approach to engage employees in decision making and to collaboratively identify, manage and resolve challenges as well as to address opportunities.

The PA construct aimed to determine whether there is limited conflict between general employees and management and whether grievances/issues are addressed and resolved in a

timeous manner. In this regard it was also important to establish if management and general employees agree on the significance of the organisation. Although the peace arena could be regarded as idealistic, it is argued that the context of communication between management and general employees needs to occur within a peace arena towards strengthening the internal corporate image. From the results it could be inferred that a platform of integrated internal communication could stimulate a peace arena as it provides, in this context, room for creating understanding between strategic management and general employees to identify, manage and resolve challenges as well as to address opportunities collaboratively.

The SEG construct (as a sub-category of the SE construct) consisted only of two items that focused on exploring stakeholder engagement in general. 47.12 % of respondents "agreed"; 25.96 % "agreed strongly"; and 14.42 % agreed very strongly that employees' inputs are considered when decisions have to be made. Furthermore, on the question as to whether employees are encouraged to partake in organisational activities, 33.65% "agreed very strongly; 28.85% "agreed strongly"; and 32.69% "agreed". In the context of this study, stakeholder engagement was specifically measured according to the AA1000SES elements and responsible leadership. The AA1000SES construct measured management and general employees awareness of each other's most prominent concerns (materiality); management's understanding of general employees' concerns related to their views, needs and performance expectations (completeness); the degree to which these concerns are actively addressed and the involvement of general employees in the resolution of organisational concerns raised by management (responsiveness). The support for the AA1000SES construct implies that not only is management's core issues known, but also that of general employees. Management therefore understands these general employee concerns and are aware as to how managerial concerns are being perceived by general employees in order to devise appropriate action plans to address these concerns. The SERL construct focused on measuring the three cornerstones of responsible leadership, namely; ethics; social capital; and relationships as well the involvement of the leader of the organisation in fostering a collaborative corporate climate within the organisation and the consideration of employees' inputs in realising a commonly shared vision of the organisation. This construct also aimed to determine whether the leader of the organisation is concerned about the wellbeing of employees; encourages employees to learn and improve their knowledge; and encourages a healthy work-life balance. The agreement of respondents to this construct and significance to a stakeholder-inclusive framework implies that a responsible leader is required to instil the AA1000SES elements of responsiveness, materiality and completeness to foster a collaborative corporate climate and mutual goal fulfilment between management and general employees.

For the purpose of measuring the STEW construct, questions related to the give-and-take relationship between management and general employees (reciprocity); the responsibility to act in a socially acceptable manner towards one another (responsibility); and the contribution of both general employees and management towards a sustainable management-employee relationship (relationship nurturing) were devised. The positive response to this construct implies that management and general employees are stewards of each other through a mutual experience of reciprocity, responsibility and relationship nurturing, which should be the ultimate objective in an approach for strengthening the internal corporate image.

As mentioned earlier, Kruskal-Wallis tests were conducted to determine if there were mean differences between groups. The only results with statistical significance pertained to the respondents' period of employment at the organisation (two or more years vs. less than two years) with regards to the IIC and SERL constructs.

Figure 1 provides a graphical illustration of the difference in response with regards to IIC.
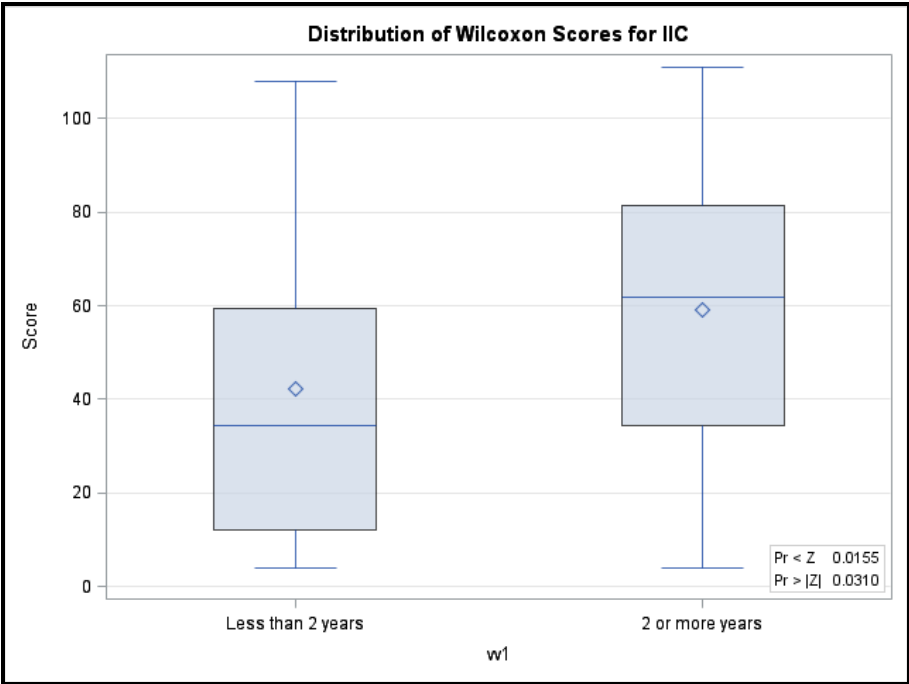


$H_0$: The response groups are identical.
$H_a$: The response groups are not identical.
Because the p-value is less than 0.05, the null hypothesis is rejected.

**Figure 1: IIC by means of years at organisation**

From Figure 1 it can be inferred that the p-value is 0,031 which implies that respondents that worked more than two years at their organisation, in comparison to respondents that worked less than two years at their organisation, had varied opinions towards IIC. Although both these groups displayed a positive response towards this construct, respondents that worked less than two years at their respective organisations showed a stronger mean score of 1.94 toward this construct, in comparison with the mean score of 2.30 for respondents that worked more than two years at their organisations. This could simply mean that respondents that worked longer at their organisation had a wider frame of reference in terms of dynamic internal communication situations which might have defied a collaborative corporate climate in managing and resolving challenges and embracing opportunities. Although it could be inferred that respondents with less than two years work experience at their organisations were more positively inclined towards the construct of IIC, respondents with more than two years work experience at their organisations still displayed a strong positive response for this construct. This implies that organisations with a strong internal corporate image consistently manages to uphold an integrated internal communication platform to engage employees in decision making and to create a collaborative corporate climate to manage and resolve challenges and address opportunities.

Figure 2 illustrates the difference between these two groups of respondents in terms of the SERL construct.



$H_0$: The response groups are identical.
$H_a$: The response groups are not identical.
Because the p-value is less than 0.05, the null hypothesis is rejected.

**Figure 2: SERL by means of years at organisation**

Figure 2 illustrates a p-value of 0.034 which indicates that respondents with more than two years work experience at their respective organisation had a varied opinion in terms of SERL in comparison to respondents with less than two years' work experience at the organisation. The mean score for respondents with less than two years' work experience at the organisation was 1.63 in comparison to a mean score of 2.00 for respondents with more than two years' work experience at the organisation. Although both these groups displayed a very positive response to the construct of responsible leadership, those with less than two years' work experience might have displayed a more positive response to this construct as these employees, due to their lack of experience at the organisation, might be receiving more intense leadership in terms of coaching, mentoring and obtaining their inputs on organisational activities in realising sustainable relationships and a collaborative corporate climate. Despite these differences both groups displayed a strong support for the construct of responsible leadership which emphasises that organisations with a strong internal corporate image is driven by responsible leaders where employees are treated honestly and fairly and their inputs are considered in realising a commonly shared vision.

In addressing the second research question of this article, it was necessary to determine if the proposed principles of the framework correlate with one another. Table 2 reports on the results of these correlations.

**Table 3: Correlations between constructs\***

| | KEY | ST | IIC | PA | SE | STEW | SEG | AA1000 SES | SERL |
|---|---|---|---|---|---|---|---|---|---|
| **Pearson Correlation Coefficients, N = 104** <br> **Prob > \|r\| under H0: Rho=0** | | | | | | | | | |
| **ST** | Correlation coefficient | **1.00000** | 0.70819 | 0.65080 | 0.75818 | 0.75483 | 0.67017 | 0.71485 | 0.68588 |
| | P-value | | <.0001 | <.0001 | <.0001 | <.0001 | <.0001 | <.0001 | <.0001 |
| **IIC** | Correlation coefficient | 0.70819 | **1.00000** | 0.66336 | 0.74760 | 0.67934 | 0.70369 | 0.69144 | 0.67708 |
| | P-value | <.0001 | | <.0001 | <.0001 | <.0001 | <.0001 | <.0001 | <.0001 |
| **PA** | Correlation coefficient | 0.65080 | 0.66336 | **1.00000** | 0.72981 | 0.63462 | 0.64895 | 0.76867 | 0.62308 |
| | P-value | <.0001 | <.0001 | | <.0001 | <.0001 | <.0001 | <.0001 | <.0001 |
| **SE** | Correlation coefficient | 0.75818 | 0.74760 | 0.72981 | **1.00000** | 0.72358 | 0.75882 | 0.84986 | 0.96247 |
| | P-value | <.0001 | <.0001 | <.0001 | | <.0001 | <.0001 | <.0001 | <.0001 |
| **STEW** | Correlation coefficient | 0.75483 | 0.67934 | 0.63462 | 0.72358 | **1.00000** | 0.71633 | 0.65582 | 0.65704 |
| | P-value | <.0001 | <.0001 | <.0001 | <.0001 | | <.0001 | <.0001 | <.0001 |
| **SEG** | Correlation coefficient | 0.67017 | 0.70369 | 0.64895 | 0.75882 | 0.71633 | **1.00000** | 0.73017 | 0.63883 |
| | P-value | <.0001 | <.0001 | <.0001 | <.0001 | <.0001 | | <.0001 | <.0001 |
| **AA1000 SES** | Correlation coefficient | 0.71485 | 0.69144 | 0.76867 | 0.84986 | 0.65582 | 0.73017 | **1.00000** | 0.68105 |
| | P-value | <.0001 | <.0001 | <.0001 | <.0001 | <.0001 | <.0001 | | <.0001 |
| **SERL** | Correlation coefficient | 0.68588 | 0.67708 | 0.62308 | 0.96247 | 0.65704 | 0.63883 | 0.68105 | **1.00000** |
| | P-value | <.0001 | <.0001 | <.0001 | <.0001 | <.0001 | <.0001 | <.0001 | |

$*H_0: \rho = 0$ The response group correlation coefficient does not differ from zero.

$H_a: \rho \neq 0$ The response group correlation coefficient differs from zero.

From Table 3 it is evident that all the constructs showed a p-value of 0.0001 which indicate that there is enough statistical evidence to reject the null hypothesis. This implies that all the correlation coefficients differ significantly from zero, which means that all the constructs correlate with one another. This confirms that the proposed principles of the stakeholder-inclusive conceptual framework have a strong correlation with one another which paves the way for an elaboration on the integration and implementation of these principles to build towards a stronger internal corporate image. The proposed process of the stakeholder-inclusive conceptual framework, which points to the composition of the framework, is a culmination of insights

obtained from both the literature and practice as well as the author's own interpretation thereof and is graphically depicted in Figure 3.
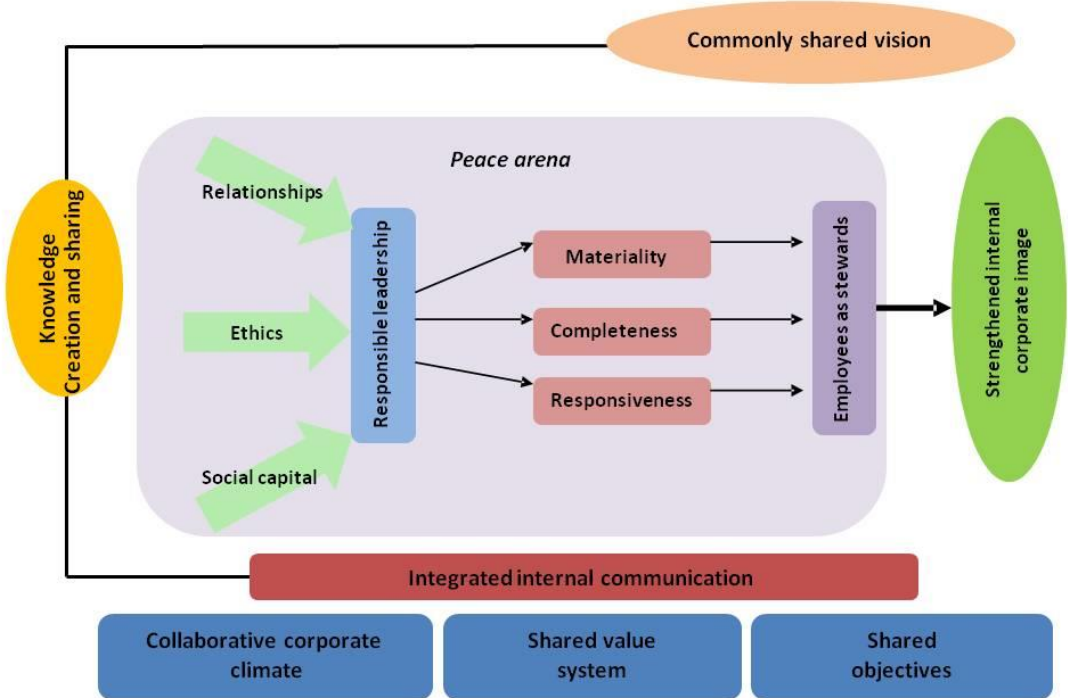


**Figure 3: A stakeholder-inclusive conceptual framework to strengthen internal corporate image**

This proposed stakeholder-inclusive conceptual framework was built on the normative paradigm and relational perspective of the stakeholder theory. This implies that the relationship between management and general employees is driven towards the fulfilment of shared objectives and is built on a shared value system of honesty and integrity and high moral, social and ethical standards and should not be oriented towards the economic self-interests of the organisation. A shared value system and collaborative corporate climate, fostered by the responsible leader, is a key requirement for the successful adoption of an integrated internal communication approach in the organisation to allow knowledge creation and sharing and the absorption and application thereof to elicit a sense of commitment, belonging and awareness among employees, and most importantly, to build towards a commonly shared vision, a key aspect of responsible leadership. Integrated internal communication, the normative paradigm and relational perspective of the stakeholder theory all relate to the three cornerstones of a responsible leader (social capital, ethics and relationships). A responsible leader not only facilitates the relationship between general employees and management, but also establishes an inclusive environment of fairness and honesty to allow sharing and participation within the organisation through the notion of

engaging him or herself among equals. Such a context could allow the responsible leader to be aware of employees' material concerns and the relation of these material concerns to managerial concerns as well as how the material concerns should continuously and proactively be addressed. This is essential for the employee to sense a feeling of belonging. Addressing employees' material concerns proactively could assist in maintaining the peace arena, whereby management and general employees are in agreement in terms of the meaning of the organisation to build towards the commonly shared vision. For the purpose of this article it is argued that such an approach could result in a sense of stewardship where both general employees and management act in the best interest of one another. This could ultimately contribute towards strengthening the internal corporate image that could subsequently have a positive influence on the external corporate image and eventual corporate reputation. It should be noted that such a framework will be more conducive to organisations with an organic organisational structure and with an established participative corporate culture. Furthermore, the successful implementation of such a framework should arguably be driven by corporate communication professionals in tight proximity with the strategic executives of the organisation.

## 8. CONCLUSION

This article focussed on addressing the second phase of a research project that aimed to address the lacuna in the literature on providing organisations with an approach where stakeholder engagement coupled with a collaborative leadership approach could be applied to strengthen the internal corporate image. The first phase of this research project focussed on developing a stakeholder-inclusive conceptual framework based on an exploratory literature review and case study approach. The second phase, which represented the focus of this article, aimed to determine whether the proposed principles of this stakeholder-inclusive conceptual framework resonate with organisations with a strong internal corporate image and secondly, whether these principles correlate with one another. The principles of the stakeholder-inclusive conceptual framework were quantitatively explored through a quantitative, self-administered web-based survey with the 2014 Deloitte BCTWF survey winners.

The main contribution of this research on a theoretical level is the proposition of a new stakeholder-inclusive conceptual framework for strengthening the internal corporate image. This research also approached corporate image from a unique stakeholder-inclusive perspective to highlight the relevance of applying stakeholder engagement by means of the AA1000SES elements and responsible leadership in strengthening the internal corporate image. In that sense, the research contributed to the body of knowledge on corporate image. On a practical level the

framework serves as a guideline that organisations could use to strengthen the internal corporate image. Although the results of this study cannot be generalised, due to the usage of non-probability sampling, the principles of the proposed stakeholder-inclusive framework were strongly supported by respondents and the results showed a high correlation between these principles which form the basis for further quantitative testing of the framework to build forth towards a model for strengthening the internal corporate image. Ideally, this framework should be measured by means of a longitudinal study which would entail extensive quantitative testing. Future research could also measure this framework with a larger sample of organisations and explore whether the implementation of such a framework could positively influence the external corporate image.

"A good [corporate] image over time results in a good corporate reputation" (Van der Walt 2015, 108). The stakeholder-inclusive conceptual framework does not only serve as a guide that organisations could use to strengthen the internal corporate image, but it could also serve as a heuristic for future research towards strengthening the external corporate image and eventual corporate reputation.

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