

Do We See Eye to Eye? The Relationship Between Internal Communication and Between-Group Strategic Consensus: A Case Analysis

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Abstract

Although organization-wide strategic consensus is considered a prerequisite for effective strategy execution, research analyzing the degree, content, and antecedents of strategic consensus between hierarchically distant employee groups is limited. The present study addresses this issue by using the Communication Satisfaction Questionnaire to examine the relationship between internal communication and between-group strategic consensus. To test these assumptions, data were collected from the top management team and lower-level employees of a hospital. The results indicate that a multifaceted operationalization of strategic consensus should be used because between-group consensus varies according to the content domain under investigation. Second, the findings indicate that it is important to analyze the direction of between-group disconsensus because employees can overestimate or underestimate the importance of strategic priorities. Third, the results indicate that the perceived quality of organizational information,

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organizational integration, and vertical communication (in contrast to horizontal communication) are associated with higher levels of strategic consensus.

Keywords

employee communication, strategic consensus, internal communication, strategy implementation

Numerous organizations struggle to effectively execute their strategies (Martin, 2010). One reason why such strategy execution often fails is that although “appropriate implementation of strategic activities is predicated on the actions of lower-level organizational members” (Davis, Allen, & Dibrell, 2012, p. 324), there is often a lack of knowledge regarding the organization’s strategic priorities at these levels (Galunic & Hermreck, 2012). Moreover, increasing levels of decentralization, job autonomy, complexity, and scale have widened the distance between an organization’s top management team (TMT) and its lower-level employees (Hill, Seo, Kang, & Taylor, 2012). Therefore, such organizations have been characterized as networks of interdependent subgroups in pursuit of divergent subunit goals (Tarakci et al., 2014).

To overcome the detrimental effects of goal divergence and to foster effective strategy execution, an organization-wide shared understanding of the organization’s strategic priorities is crucial. Walter, Kellermans, Floyd, Veiga, and Matherne (2013) argue that

underlying this logic is the assumption that the coordination needed to implement strategy requires not only an action plan but also a shared grasp of the logic behind the action plan as manifest in a higher level of agreement on specific elements of the strategy. (p. 3)

Such a shared grasp of the logic behind an organizational strategy entails that employees not only need to agree on what their respective responsibilities are (i.e., operational consensus), but they also need a communality of purpose that legitimizes organizational decisions (Cunningham & Harney, 2012). The construction of such a communality of purpose is expected to enhance employees’ motivation and organizational commitment along with improved coordination (Kellermans, Walter, Floyd, Lechner, & Shaw, 2011). The strategic management literature recognizes the relevance of these shared mental frameworks by stressing the importance of “strategic consensus,” which indicates “the extent to which intra-organizational perceptions converge on shared understandings of strategic priorities” (Rapert, Velliquette, & Garretson, 2002,

p. 301). Strategic priorities, in turn, refer to the perceived relative importance of specific organizational-level initiatives or issues by the members of the organization (Kellermans, Walter, Lechner, & Floyd, 2005).

However, despite its presumed importance, there has been limited research concerning between-group strategic consensus involving employees at the lower end of the organizational hierarchy. Recent literature reviews have indicated that a prototypical strategic consensus research article only analyzes the level of strategic consensus (i.e., the degree of consensus) within a small group (i.e., the scope of consensus) at the top of the organizational hierarchy (i.e., the locus of consensus) and the strategic priorities of the organization (i.e., the content of consensus; Kellermans et al., 2011; Tarakci et al., 2014; Walter et al., 2013). Such a research focus has led to the contradiction that, on one hand, organization-wide strategic consensus is considered a prerequisite for successful strategy execution; on the other hand, research on the degree and content of strategic consensus between subgroups placed at opposite ends of the organizational hierarchy is limited. Moreover, empirical insights on how specific organizational conditions may be related to the development of between-group strategic consensus appear to be virtually non-existent (Kellermans et al., 2011; Matho & Davis, 2012; Walter et al., 2013).

Previous studies have indicated that internal communication can play a pivotal role in the development of strategic consensus (Hume & Leonard, 2014; Matho & Davis, 2012; Van Riel, Berens, & Dijkstra, 2009). The present article contributes to the literature by not only examining the degree and content of between-group strategic consensus among distant hierarchical groups, but also how specific dimensions of internal communication are related to between-group strategic consensus. More specifically, the first part of this study discusses how the perceived quality of organizational information flow and interaction can be related to higher levels of between-group strategic consensus. In the second part, data collected from the TMT and lower-level employees (i.e., nurses) of a Flemish hospital are used to test the formulated hypotheses.

Internal Communication and Strategic Consensus

Broadly defined, internal communication can be viewed as an organization's "full spectrum of communication activities, both formal and informal, undertaken by its members for the purpose of disseminating information to one or more audiences within the organization" (Carrière & Bourque, 2009, p. 31). The increasing attention to internal communication is fueled by the assumption that it is associated with higher levels of organizational effectiveness and

performance (Downs & Adrian, 2004; Vercic, Vercic, & Sriramesh, 2012). In addition, this can be partly explained by the fact that internal communication is expected to foster the development of shared mental models by enabling information sharing and interaction between employees (Maitlis & Christianson, 2014). Hence, internal communication can stimulate employees' understanding of an organization's changing priorities, which, in turn, fosters organizational commitment (Welch, 2012).

It has often been suggested that internal communication, more specifically, the degree of information sharing and interaction within an organization, is positively related with strategic consensus (Hume & Leonard, 2014; Matho & Davis, 2012; Van Riel et al., 2009). Accordingly, on one hand, the present study examines the relationship between two specific communication components, namely, "an informational dimension that focuses on satisfaction with the content and flow of information and a relational dimension that focuses on satisfaction with communication relationships with other organizational members" (Gray & Laidlaw, 2004, p. 430), and between-group strategic consensus on the other. The focus on employee communication satisfaction is predicated on the assumption that organizational satisfaction is a derivative of communication effectiveness and is a useful measure of an organization's communication performance and quality (Zwijze-Koning & de Jong, 2007). In this study, Communication Satisfaction Questionnaire (CSQ; Downs & Hazen, 1977) is used to assess employees' affective appraisal of the organization's communication practices.

Relationship Between Information Sharing and Between-Group Strategic Consensus

The degree to which information is shared refers to the flow of information within an organization. This information flow provides employees with the information required to create accurate mental models regarding the organization's priorities (Dennis, Fuller, & Valacich, 2008), and thus can be considered the lifeblood of an organization (Cooper-Thomas, Anderson, & Cash, 2012). Moreover, Matho and Davis (2012) argue that "as the information flow increases in the organization, the familiarity of employees with organizational goals and means increases significantly . . . resulting in increased congruence with other layers of the organization" (p. 2).

To assess the perceived quality of organizational information sharing, this article focuses on two specific dimensions: organizational information and organizational integration. The level of organizational information indicates the degree to which individuals receive information about the organization as a whole and includes information about changes, the organization's financial

standing, and the overall policies and goals of the organization (Clampitt & Downs, 1993; Downs & Hazen, 1977). Organizational integration, on the other hand, specifies the degree to which employees receive information regarding their immediate work environment and comprises information on departmental plans, job requirements, and personnel news (Clampitt & Downs, 1993; Downs & Hazen, 1977). Useful and sufficient information on organizational matters makes employees feel that they have been informed, clarifies what is expected from them, and thus contributes to their understanding of the organization's priorities (Smidts, Pruyn, & van Riel, 2001). Accordingly, the following hypotheses are posited:

Hypothesis 1: Perceived quality of organizational information is positively related to strategic consensus.

Hypothesis 2: Perceived quality of organizational integration is positively related to strategic consensus.

Relationship Between Interaction and Between-Group Strategic Consensus

The goal of communication is not the mere conveyance of information, but is rather the development of a shared meaning (Dennis et al., 2008). The development of such shared mental models is considered to be a process of social construction, whereby organizational members attach and reattach meaning to organizational cues while conversing and exchanging ideas with others (Kellermans et al., 2011; Van Riel et al., 2009). Consequently, the interaction between and among various groups of employees is necessary to develop commonality (Cooper-Thomas et al., 2012). The present study focused on two specific organizational partners: employees' superiors and colleagues who because of their proximity would be expected to have greater frequency of interactions.

On the basis of the CSQ, employees' superiors and colleagues are operationalized as vertical and horizontal communication, respectively (Clampitt & Downs, 1993; Downs & Hazen, 1977). Communication with superiors (vertical communication), denotes an employees' perception of the quality of upward and downward aspects of communication. Communication with colleagues (horizontal communication), refers to the extent to which horizontal and informal communication is perceived as accurate and free flowing. Frequent interaction with superiors and colleagues is important because it offers opportunities to reduce equivocality concerning organizational issues and stimulates information exchange, which, in turn, could be related to higher levels of strategic consensus. Accordingly, the following hypotheses are posited:

Hypothesis 3: Perceived quality of vertical communication is positively related to strategic consensus.

Hypothesis 4: Perceived quality of horizontal communication is positively related to strategic consensus.

Method

Sample and Procedure

Considering the research focus on measuring the content and degree of between-group strategic consensus, a quantitative within-case analysis was used in this research project. Specifically, data were collected from the TMT and nurses of a Flemish regional hospital. A six-page, self-administered questionnaire was distributed to all the nurses of the participating organization and their confidentiality was assured through an attached cover letter and a return envelope. Participants had 2 weeks to return the completed questionnaires to a closed on-site drop-off box. To ensure anonymity, the questionnaires were retrieved and processed by non-organizational members. This survey approach yielded 195 responses from all distributed ($N = 457$), resulting in a response rate of 42.7%. The respondents primarily consisted of female nurses (87%) with an average age of 40 years. In addition, their average number of years with the organization was 12, and 30% of the respondents had part-time appointments. Respondents and non-respondents were compared based on the information available in company records, and the data were matched via a confidential code number. The analyses indicated that the collected sample did not significantly differ from the population of nurses in the hospital in regard to gender, age, tenure, and mode of employment. All the analyses were conducted using the Statistical Package for Social Sciences (SPSS) Version 20 (SPSS Inc., Chicago, IL, USA).

Measurement

Measuring strategic consensus. Measuring strategic consensus involved three distinct phases: (a) developing a measurement instrument, (b) developing an accuracy benchmark, and (c) calculating the degree of strategic consensus between the group of lower-level employees and their TMT.

In the first phase, a measurement instrument was developed to assess the perceived relevance of strategic priorities. Researchers can use several methods to develop a taxonomy that captures an organization's strategic priorities, in which the first option is to draft a sector-specific instrument consisting of items derived from relevant literature, the second is to use generic strategic

priorities (e.g., differentiation vs. cost strategy), and the third is to use specific strategic priorities derived from organizational communication (Davis et al., 2012; Matho & Davis, 2012). To increase the generalizability and recognizability of the research instrument, the first option was selected in the present study. Specifically, a list of 20 strategic priorities (consisting of five dimensions) considered relevant for general hospitals was used (Brown et al., 2005), including human resources cultivation, service integration and partnerships, consumer engagement, organizational efficiency, and patient care management. An exploratory factor analysis was performed for the five dimensions using principal components analysis as the extraction method. No items were deleted as all the factor loadings exceeded .50 (factor loadings ranged from .62 to .87), and Cronbach's alpha for the dimensions could not be improved (Cronbach's α ranged from .72 to .77). Table 1 presents an overview of the included strategic priorities.

In the second phase, for developing an accuracy benchmark, 17 TMT members were asked to indicate how important each of the listed strategic priorities were for the organization based on a 7-point Likert-type scale ranging from 1 (*definitely not important*) to 7 (*definitely important*). A total of 14 managers completed the survey, and the average of the managers' ratings served as the accuracy component (i.e., the true score; Boswell & Boudreau, 2001). Aggregating the individual TMT ratings into one score proved to be a viable option because the calculated interrater agreement scores indicated that the TMT had a strong level of agreement (the overall average interrater agreement [rwg] was .99; Kim, Cable, & Kim, 2005).

In the third phase, the degree of between-group strategic consensus was calculated using z -scores. Hence, just as one would calculate a z -score to assess the degree to which a TMT member's strategic priority score differs from the average TMT member's score (i.e., within-group strategic consensus), a z -score was calculated to measure the degree to which a lower-level employee's strategic priority score differs from the score of the average TMT member's score (i.e., between-group strategic consensus). The z -score was calculated as follows:

$$z_{\text{priority } i} = \frac{\text{priority } i \text{ score}_{\text{employee}} - \text{priority } i \text{ score}_{\text{TMT}}}{\text{stdev priority } i \text{ score}_{\text{TMT}}}$$

A negative z -score indicates an underestimation of the importance of a strategic priority in comparison with the TMT, whereas a positive z -score indicates an overestimation of the strategic priority's importance.

To calculate the degree of strategic consensus on a sub-dimension or on all the items, the z -scores of the relevant strategic priorities are combined into a

Table 1. Items, Reliabilities, and Factor Loadings for the Developed Strategic Priority Clusters.

Strategic priority cluster	Factor loading	Item number	Strategic priority
Human resources cultivation ($\alpha = .72$)	.75	1.	Physician and staff recruitment
	.70	2.	Leadership and teamwork cultivation
	.70	3.	Balance promotion or achievement of injury and absenteeism reduction
Service integration and partnerships ($\alpha = .77$)	.66	4.	Labor relations
	.79	5.	Collaboration with academic and scientific institutions
	.77	6.	Vertical integration or regionalization or health services integration
	.77	7.	Government relations
	.65	8.	Volunteer relations
	.62	9.	Horizontal integration or relations with health care providers or facilities
Consumer engagement ($\alpha = .75$)	.77	10.	Increasing engagement of patients/consumers in health and health care and knowledge perception
	.75	11.	Increasing engagement of patients/consumers in rights and responsibilities
	.73	12.	Increasing patients/consumer involvement in program planning/evaluation and/or corporate governance issues or involving community advisory groups in corporate decision making
	.64	13.	Community relations or increasing focus on public relations/marketing
	.64	14.	Increasing focus on patient satisfaction issues

(continued)

Table 1. (continued)

Strategic priority cluster	Factor loading	Item number	Strategic priority
Organizational efficiency ($\alpha = .75$)	.87	15.	Innovations to enhance operating position from a financial perspective
	.85	16.	Increasing focus on facility planning
	.73	17.	Increasing focus on performance measurement for quality improvement
Patient care management ($\alpha = .73$)	.84	18.	Innovations in high-quality patient care delivery
	.72	19.	Cultivating innovations in new technology for diagnosis and/or treatment
	.70	20.	Increasing focus on infection control strategy

rescaled sum of z -scores (i.e., RSZ) because this method is recommended to detect small consistent biases over several items (Thompson, Ellison, & Wood, 2006).¹

$$RSZ = \sum_{i=1,n} \frac{z_i}{\sqrt{n}}$$

Next, the RSZ is adjusted into a weighted RSZ to account for the factor scores of the strategic priority scores.

$$\text{Weighted RSZ} = \sum_{i=1,n} \frac{w_i z_i}{\sqrt{n}}$$

Weighted RSZ was selected over other methods, such as Euclidean distance, city-block distance, or a negative squared Euclidean distance, for two reasons. First, the weighted RSZ measures not only the degree of disconsensus but also the direction of this bias. Second, the weighted RSZ compares a lower-level employee's strategic priority score not only with the average TMT strategic priority score but also with the TMT standard deviation of this strategic priority score. Thus, it takes into account the degree of strategic consensus within the TMT regarding this strategic priority. On the other hand, RSZ has the

disadvantage that *z*-scores with opposite signs may cancel each other, thus resulting in a downward distorted RSZ (Thompson et al., 2006). However, in the present study, this issue did not pose a major threat to the validity of the results because only 4.32% of the respondents had *z*-scores of 1 or higher, in absolute size, cancelling each other out.

Measuring communication. To measure the perceived quality of organizational communication, measures from the CSQ were used (Downs & Hazen, 1977). The CSQ was selected as it changed the perspective of organizational communication from being a unidimensional construct to a multidimensional construct (Zwijze-Koning & de Jong, 2007). Consequently, the CSQ allowed assessment of how specific communication dimensions were related to between-group strategic consensus. More specifically, four communication dimensions were included in the research design: organizational information (five-item scale, $\alpha = .82$), organizational integration (five-item scale, $\alpha = .82$), vertical communication (five-item scale, $\alpha = .89$), and horizontal communication (five-item scale, $\alpha = .74$). Each item was measured using a 7-point Likert-type scale ranging from “very dissatisfied” to “very satisfied.”

Other measures. The respondents were also asked to indicate their age, sex, employment status, and organizational tenure. These variables were used as covariates in the consensus predictive model. These categorical covariates were dummy-coded for analysis.

Results

Degree and Content of Strategic Consensus

To test whether the employees' strategic priorities scores significantly differ from those of the TMT, both the Independent-Samples Median Test and the Independent-Samples Mann–Whitney *U* Test were used. Test results indicated that the median and the entire distribution of the strategic priority scores significantly differed between the groups in regard to the overall strategic consensus score and two of the five sub-dimensions: human resources cultivation and customer engagement. In all three cases, the lower-level employees overestimated the importance of the strategic priority clusters in comparison with the TMT. Table 2 provides an overview of the results.

Analysis of the Hypotheses

Table 3 presents the means, standard deviations, and intercorrelations (Pearson) of the variables included in the study.

Table 2. Means and Hypothesis Test Summary.

Dimension	Standardized nurses' strategic priority score			Test	
	M	Minimum	Maximum	Independent-Samples Median Test (difference in median)	Independent-Samples Mann-Whitney U Test (difference in entire distribution)
Overall strategic consensus	.41	-1.90	1.98	.01*	.01*
Human resources cultivation	.65	-2.04	2.3	.02*	.03*
Service integration and partnerships	-.31	-1.93	1.97	.07	.03*
Consumer engagement	.78	-2.79	2.17	.02*	.01*
Organizational efficiency	.46	-3.08	1.71	.04*	.06
Patient care management	.47	-2.11	1.52	.78	.13

Note. A standardized nurses' strategic priority score of 0 indicates perfect consensus between the nurse and the TMT. Asymptotic significances are displayed. TMT = top management team.

* $p < .05$.

As expected, all the measured communication dimensions were significantly and positively correlated with the variable "Overall strategic consensus." Although some correlations between independent variables were relatively strong, multicollinearity did not appear to be a concern as the condition number of 3.15 was well below 20 and all the variance inflation factor (VIF) values (maximum = 2.67) were well below the threshold of 10. Given the study's aim to analyze variances in strategic consensus by focusing on the employee characteristics and communication dimensions that are significant and relevant, a stepwise multiple linear regression model was constructed whereby,

At each step the independent variable not in the equation that has the smallest probability of F is entered (if that probability is sufficiently small) [and whereby] variables already in the regression equation are removed if their probability of F becomes sufficiently large. The method terminates when no more variables are eligible for inclusion or removal. (IBM Knowledge Center, 2015)

As such, stepwise variable selection method has the advantage, in contrast to both forward- and backward variable selection methods, that a selected/

Table 3. Means, Standard Deviations, and Intercorrelations of Study Variables for the Sample of Lower-Level Employees.

Variable	M	SD	1	2	3	4	5	6	7	8
1. Overall strategic consensus	.41	.67	1							
2. Organizational information	4.80	.85	.41*	1						
3. Organizational integration	5.04	.89	.45*	.39*	1					
4. Horizontal communication	5.49	.94	.30*	.48*	.42*	1				
5. Vertical communication	4.91	.83	.35*	.35*	.34*	.44*	1			
6. Organizational tenure	1.5	11.7	.25*	.27*	.19*	.10	.06	1		
7. Sex ^a	—	—	.03	.04	-.04	-.04	.09	-.01	1	
8. Mode of employment ^b	—	—	-.09	-.09	-.04	.00	.00	-.34*	.26*	1

Note. Multicollinearity seems to be limited as: condition number = 3.15, VIF values = maximum of 2.67.

VIF = variance inflation factor.

^a0 = female; 1 = male.

^b0 = part-time; 1 = full-time.

* $p < .05$.

removed variable in one step can leave/re-enter the model in a later step. Table 4 provides an overview of the findings.

The results indicate that 36% of the variance in overall strategic consensus can be explained by four variables, namely, organizational integration, organizational information, vertical communication, and organizational tenure.² The positive significant regression parameter for organization information confirms Hypothesis 1, which stipulated that higher levels of organizational information are positively associated with strategic consensus ($\beta = .25$, $p \leq .05$). In addition, the results confirm Hypotheses 2 and 3, indicating that higher levels of perceived adequacy of organizational integration ($\beta = .21$, $p \leq .05$) and vertical communication ($\beta = .20$, $p \leq .05$) are positively associated with strategic consensus. Conversely, horizontal communication was not significantly related to strategic consensus, which led to the rejection of Hypothesis 4. With regard to the included employee characteristics, only organizational tenure proved to be significantly related to overall strategic consensus ($\beta = .14$, $p \leq .05$).

Discussion

In addition to providing insights on an understudied part of strategic consensus research, this study progresses knowledge regarding between-group strategic consensus in three specific ways. First, with respect to the content of strategic consensus, the results indicate that it is effective to use a multifaceted operationalization of the “strategic consensus” concept. Although previous

Table 4. Summary of Stepwise Regression Analysis for the Dependent Variable "Overall Strategic Consensus."

Model	B	SE B	B	T	Significance	R ²	Adjusted R ²
1. Intercept	.40	.04		9.11	.00		.30
Job-related inform	.43	.05	.55	8.73	.00*	.30	
2. Intercept	.44	.05		9.78	.00		.33
Organizational integration	.29	.07	.38	4.44	.00*		
Organizational information	.21	.07	.26	3.01	.003*	.34	
3. Intercept	.38	.05		7.27	.00		.34
Organizational integration	.21	.08	.27	2.72	.01*		
Organizational information	.21	.07	.25	3.01	.003*		
Vertical communication	.13	.06	.17	2.14	.03	.36	
4. Intercept	.38	.05		7.25	.00		.36
Organizational information	.20	.07	.25	3.03	.003*		
Organizational integration	.17	.08	.21	2.12	.04*		
Vertical communication	.15	.06	.20	2.48	.01*		
Organizational tenure	.01	.00	.14	2.12	.04*	.37	

studies often used generic statements to measure strategic consensus, the results of the present study indicate that it could be insightful to measure strategic consensus with a fine-grained measurement instrument as the degree of between-group consensus varies according to the content domain under investigation. Thus, these results, partly, counterbalance the observation that prior studies of strategic consensus have largely neglected to examine the topics organizational subgroups exactly agree upon (Walter et al., 2013).

Second, this study measures the degree and direction of between-group strategic consensus using weighted RSZ. In comparison with other methods, weighted RSZ has the advantage that the sign of the deviation is retained. As such, this method offers the benefit of not only providing information on the magnitude of disconsensus between the two groups, but it also offers insights on the direction of the bias. Although previous literature has suggested that employees' limited knowledge of strategic priorities will lead to an underestimation of strategic priorities' relevance, the results of the present study indicate that the sample of lower-level employees often, in comparison with the TMT, overestimated the importance of specific strategic priorities. Overestimating the relative importance of specific strategic priorities could be detrimental as individual decision-making processes often consist of pairwise comparisons whereby employees try to determine the best alternative for resource allocation (Saaty, 2008). Biased perceptions of the relative

importance of strategic priorities could lead to the suboptimal allocation of individual and/or organizational resources.

Third, although generating goal alignment is considered to be one of the primary objectives of internal communication (Vercic et al., 2012), and considerable theories indicate that information sharing and interaction fosters “a closer agreement between top executives’ view of strategy and the views of lower-level organizational participants” (Davis et al., 2012, p. 323), the present study is one of the first attempts to empirically assess the relationship between internal communication and between-group strategic consensus. The results not only provide evidence for the relevance of internal communication, but they also confirm its multidimensional nature by indicating that both informational and relational dimensions could play an important role in generating organizational alignment. More specifically, study results indicate that both the perceived quality of organizational information and integration are associated with higher levels of between-group strategic consensus. In addition, horizontal communication, in contrast to vertical communication, is not significantly related to higher levels of between-group strategic consensus. Matho and Davis (2012), however, argued that this outcome could have been expected as horizontal communication includes a low level of information transfer utility. Vertical communication is probably considered much more effective as the “the power difference between source and receiver, where source has higher power or authority compared to receiver, brings a structure to the flow of information between them” (Cooper-Thomas et al., 2012, pp. 2-3).

Practical Implications

Although communication managers view stimulating employee–organizational alignment as an important aspect of their job (Ruck & Welch, 2012), lower-level employees often indicate that their knowledge regarding the organization’s strategic priorities is limited (Galunic & Hermreck, 2012). To address this concern, the present study not only provides an example of how the degree and content of between-group strategic consensus can be measured, but it also provides valuable information for managers wishing to address the concern.

First, with respect to the content of strategic consensus, the results of the present study urge managers to view strategic consensus as a multidimensional construct because employees can be aligned with certain elements of the strategy but not with others. For example, universities often pursue strategic priorities within the subdomains of research, education, personnel, and social involvement whereas the majority of service organizations focus

simultaneously on efficiency as well as customer orientation. Despite the multidimensional orientation of these strategic priorities, managers often talk about “the strategy” of the organization and often use employee satisfaction surveys that measure whether employees support “the strategy” of the organization. However, an internal communication campaign to increase employees’ support of “the strategy” will be less effective than a targeted internal communication campaign focused on the strategic priorities subject of (dis)consensus. Hence, identifying the specific dimensions of (dis)consensus offers the opportunity to develop targeted communication efforts.

Second, with respect to the degree of strategic consensus, the case analysis indicates that managers should be aware that between-group strategic discrepancies can occur in two directions. In the majority of discussions on strategic consensus, there is the implicit assumption that employees at lower organizational levels have limited knowledge of the organization’s strategic priorities. The findings of this study, however, indicate that employees can also overestimate the importance of possible strategic priorities, which, in turn, could prove to be detrimental for the organization. Specifically, employees who overestimate the importance of specific strategic priorities could create a benchmark to evaluate organizational decisions and management behavior. If the organization is perceived to fall short of this benchmark, this could lead to dissatisfaction and even feelings of betrayal. Simons, Friedman, Liu, and Parks (2007), for example, argued that such perceived misalignment between the perceived relevance of strategic priorities and managers’ behaviors leads to distrust and a higher turnover rate. Consequently, for the employees overestimating the importance of specific strategic priorities, an organization’s TMT could choose to intensify their communication efforts with the aim of managing employee expectations regarding specific strategic priorities. Alternatively, the TMT could consider the information provided by the consensus analysis as valuable bottom-up feedback because it offers insights into the strategic priorities that are considered relevant by their boundary-spanning employees. In addition, they could optimize the organization’s strategy to accentuate these strategic priorities. As such, the organization engages in reciprocal sense-giving/sense-making processes that will increase the degree of shared understanding (Weick & Roberts, 1993).

Third, this study provides practical information on how organizations could strengthen the degree of between-group strategic consensus. Organizations aiming to avoid the detrimental effects of strategic disconsensus could benefit from creating an information-rich environment that not only provides employees with information about the organization as a whole but also how these goals, policies, and changes affect individual employees (Boswell, 2006). Moreover, organizations should not only provide information on

organizational issues, but they should also stimulate interaction between its members and their respective supervisors. To foster the effectiveness of this relationship, organizations should motivate direct supervisors to engage with their subordinates and stimulate them to fulfill their role as an organizational linking pin.

Conclusion and Limitations

The present study describes an initial exploration of strategic consensus at the lower organizational levels of a health care organization. It offers insights into a field of analysis that has been largely neglected and presents a methodology that can be adapted to suit the requirements of different organizations in three aspects: (a) the degree of strategic consensus between an organization's TMT and other organizational groups, (b) the strategic priorities on which they agree, and (c) the relationship between internal communication and between-group strategic consensus.

Despite the merits of this study, there are limitations that should be considered when evaluating the results. First, to increase generalizability, the study used a sector-specific instrument consisting of 20 items derived from relevant literature. Although the large number of strategic priorities provided the opportunity to capture all possible dimensions, in most cases, organizations have a more focused set of strategic priorities. Future research could use specific strategic priorities derived from organizational communication to assess strategic consensus within a specific organization. Second, the study was cross-sectional. Strategic consensus within an organization probably unfolds over time and fluctuates under the influence of communication and/or changed management initiatives, dynamics that are impossible to capture with a one-shot survey. Clearly, more longitudinal research is required to understand the dynamics of how strategic consensus is attained, sustained, and fluctuates. Third, this study relied on self-reported behavior and perceptions. Consequently, common-method bias can never be ruled out. However, several procedural remedies were used to optimize the questionnaire such as different measurement scales for predictor and criterion variables, multiple items to measure each construct, and the use of pre-tested scale items. In addition, the single-common-method-factor analysis suggests that substantial common-method variance is absent (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). The addition of a method factor to the confirmatory factor model, including the organizational communication dimensions and between-group strategic consensus regression variables as latent factors (i.e., the regression variables factor model with a method factor loading on all of the indicators), did not significantly improve the fit of the confirmatory factor

model with only the regression latent factors (Tucker-Lewis Index (TLI) = .05), even though the method factor loadings and the regression variables factors' loadings continued to be significant.

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Notes

1. At least 76% of the priority z-scores are smaller than 2 in absolute value.
2. Regressing the individual strategic consensus dimensions, instead of the measure of overall strategic consensus, on the selected array of employee characteristics and dimensions of communication resulted in comparable results.

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