



# **THE EFFECTS OF LEADERSHIP AND INTERNAL COMMUNICATION ON THE ORGANIZATIONAL CLIMATE**

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## **ABSTRACT**

**Purpose:** The purpose of this document is to explore the implications and effects of leadership and internal communication in organizations. In order to do so, the document first aims to define both concepts and identify its key attributes, followed by a deeper analysis of the different leadership styles and the types of internal organizational communication. The document then examines the combination of both leadership and internal communication and its effects on the organization.

**Design / methodology / approach:** This document represents a theoretical review of leadership styles and internal organizational communication, starting from the definition of both concepts, their relevance within the organization and their effects on organizational performance. The document pays reference to existing literature related to leadership and organizational communication, as well as motivation and organizational climate.

**Findings:** In order for organizations to successfully overcome the new challenges that the changes in the world of work have brought, and to survive the effects of the global crisis, they must seek to improve their performance at the lowest possible costs. The literature highlights the importance of leadership and internal communication as enablers of employee motivation and positive organizational climate, which turns into improved organizational performance at reduced costs.

**Originality / value:** The document aims to unify approaches to leadership, internal organizational communication, motivation and organizational climate, and to explore how their relationship affects the organization.

**Key-words:** Leadership, Internal Communication, Motivation, Organizational Climate.

**Paper type:** Literature Review.

## **1. INTRODUCTION**

In the past years, the world of work has evolved from a perspective where the employee was just seen as a necessary tool for production to an approach where the employee is considered a key part of the organization and one that has a deeper impact on productivity and on customer satisfaction (Harvard Business Review, 2013).

Following that thought, organizations seek ways to increase productivity through employees, as it has greater results than through other paths, and it is less expensive. Employee productivity is crucial during these times of crisis we are through, especially for small and medium enterprises that cannot afford bad results in their struggle to survive in nowadays extremely competitive market.

There are several ways an organization can influence employee productivity, but perhaps the most common and widely accepted is through motivation, and more recently, through organizational climate (Stringer, 2002). Although motivating employees is not something new, its importance has increased as it allows organizations to maintain or even increase productivity without wasting resources, which is vital if they want to survive this crisis we are suffering.

With that in mind, managers, aware of the relationship between productivity and motivation, and also with organizational climate, need to create a better work environment and increase employee motivation if they want their productivity to increase as well. In leadership and organizational communication they find two ways of influencing employee motivation that are applicable in any organization and at a relatively reduced cost. Moreover, new approaches have appeared recently regarding those concepts, so it is of interest to review the classic and new theories about leadership styles and about internal organizational communication, and to determine if there is a direct relationship between those two concepts and employee motivation and organizational climate. If they are, indeed, related, it would be interesting to know the nature of that relationship and how to make the most of it increasing, through a series of chain effects, employee productivity by modifying leadership styles and internal organizational communication.

## **2. LEADERSHIP**

### **2.1 What is leadership?**

The definition of leadership has been a controversial issue for many years, with every author approaching the topic his own way and giving a new definition, so there is not one unique definition that is widely accepted by the academic community. Despite that fact, we can group together most of the definitions depending on the author's approach on the subject, leaving us with the following five main ways the different authors have seen leadership through time (Ambler, 2013).

#### **2.1.1. Leadership as character**

Some definitions of leadership consider the leader's character to be a key factor in being able to lead effectively. These authors also think integrity and trust are very important, and closely related to character. Therefore, without integrity and character people will not trust the leader and without trust leaders cannot have any influence on others and will not gain followers.

- "Leadership: the capacity and will to rally people to a common purpose together with the character that inspires confidence and trust." (Field Marshal Montgomery, n.d.).
- "Leadership is a combination of strategy and character. If you must be without one, be without strategy." (General H. Norman Schwarzkopf, n.d.).

#### **2.1.2. Leadership as development**

A number of authors consider leadership to be focused on the responsibility of the leader to grow and develop others into leaders. They agree on the importance of a leader knowing himself and achieving a high personal development before developing his followers. This is because a leader that has not grown internally will not be able to deal with the growth of his followers and the changes brought by a challenging vision.

- "Before you are a leader, success is all about growing yourself. When you become a leader, success is all about growing others." (Jack Welch, n.d.).
- "The function of leadership is to produce more leaders, not more followers." (Ralph Nadar, n.d.).

### **2.1.3. Leadership as change**

These definitions consider change as central to effective leadership, and consider leadership as a process of change supported by social influence. According to these authors, more change requires more leadership, so the greater the change, the greater the need for leadership. Leadership is all about developing a shared vision for the future and influencing people to work towards that vision, leading to a change of the present situation.

- “Leadership defines what the future should look like, aligns people with that vision, and inspires them to make it happen despite the obstacles.” (John Kotter, n.d.).
- “Leadership is the capacity of individuals to spark the capacity of a human community –people living and working together- to bring forth new realities.” (Peter Senge, n.d.).

### **2.1.4. Leadership as service**

Some definitions consider leadership to be a service to others, usually referred as “servant leadership”. These authors state that the ultimate goal of a good leader should be to be of service to his followers.

- “All of the great leaders have had one characteristic in common: it was the willingness to confront unequivocally the major anxiety of their people in their time. This, and not much else, is the essence of leadership.” (John Kenneth Galbraith, n.d.).
- “The first responsibility of a leader is to define reality. The last is to say thank you. In between the two, the leader must become a servant and a debtor. That sums up the progress of an artful leader.” (Max DePree, n.d.).

### **2.1.5. Leadership as influence**

Many authors define leadership as the process of influencing others. Leadership is about changing the behavior of people to execute the vision, and it is done through building relationships between leader and followers that allow leaders to motivate and inspire the followers. The behavior of followers must be changed in a positive way, not by fear or hierarchic power, in order to lead efficiently.



- “Leadership is the capacity to influence others through inspiration motivated by passion, generated by vision, produced by a conviction, ignited by a purpose.” (Dr. Myles Munroe, n.d.).
- “Leadership is the art of getting someone else to do something you want done because he wants to do it.” (Dwight D. Eisenhower, n.d.).

## **2.2. Leader vs. Manager**

Often these two terms are confused by those who do not dig deep into the subject, but a leader and a manager are not the same. While the manager sits in a position of power and authority towards the rest of the group, a leader does not necessarily do so. Although it can happen that a leader also holds a higher hierarchic position, he does not rely on his formal power to lead his followers, but it does so by the trust and respect he has earned from them and that it makes them want to follow him.

In this way, “a person without any formal power can become a leader, but a manager will hardly become an efficient one if he is not at the same time a leader to his team.” (Palomo, 2001, p.17).

There are many differences between a leader and a manager (Table 1).

**Table 1. Leader vs. Manager**

<b>Manager</b>	<b>Leader</b>
Customer-oriented.	Oriented to both internal and external clients.
Oriented towards rules and procedures.	Oriented towards the vision and a shared project.
Focused on routine.	Focused on important activities and urgent ones that require bright thinking.
Efficiency.	Effectiveness.
“Know-how”.	“Know-why”.
Relies on technology.	Relies on relationships.
Drives.	Guides and shows the way.
Handles things himself.	Forms opinion.
Manages.	Creates new ideas, new strategies, new politics and new methodologies.
Plans, organizes, controls, delegates and does adjustments and modifications.	Long term vision.

“Problem-solver”.	“Problem-finder”.
Fixated role.	Build role.
Knows how to use technology.	Knows people and helps them grow.
Emphasis on physical and material resources.	Emphasis on emotional resources.
Demands technical abilities.	Demands integrity, coherency and loyalty, and shares those values.
Controls and supervises the results.	Develops and advises his followers.
Internal and present.	External and future.

Source: Palomo, (2001), adapted from Diaz Carrera, (1994).

According to Palomo (2001), any person can become a leader within an organization as long as:

- His ideas and actions mobilize others to want to work towards a common goal.
- Gets the support of the rest without giving orders.
- Does not ask for obedience, but commitment and implication.
- Gets credibility through his actions.
- Becomes an example for the others to follow.
- Changes the status quo in order to make new and revolutionary processes that alter the usual environment.
- Experiments and takes risks.
- Visualizes the future.
- Generates a shared vision and believes in it.
- Fosters collaboration and team work.
- Pays attention to new progress and tendencies, and is a fast learner.
- Does not foster obsolete ways of thinking, but creativity and innovation.
- Favors synergies both within and without the organization.
- Communicates in the right way changes to his collaborators, as well as the actions and implications those changes imply.
- Follows a clearly proactive approach.

## **2.3. Leadership theories**

### **2.3.1. Trait leadership theory**

The trait leadership theory was the first approach ever taken on about leadership, and it states that a leader is “born” that way, with a number of attributes that will make him stand out of the rest and lead them. According to this theory, as a leader has certain qualities that make him so, he won’t be able to help standing out and becoming the leader of every social circle he is on (of the family, the group of friends, at work, etc.) (Palomo, 2001).

“From the very moment of their birth, some are meant to follow and some to lead”. (Aristotle, n.d.).

Many authors researched about the personal attributes many leaders shared with each other to determine which of them were essential to be a good leader. One of the earliest to do so was Cattell (1951), who came out with the 16 Personality Factor Model (Table 2) that introduced 16 primary factors a person must have to be a good leader:

**Table 2. 16 Personality Factor Model**

<b>Descriptions of low range</b>	<b>Primary factor</b>	<b>Descriptions of high range</b>
Reserve, impersonal, distant, cool, detached, formal, aloof	Warmth	Warm, outgoing, attentive to others, kindly, easy going, participating, likes people
Concrete thinking, lower general mental capacity, less intelligent, unable to handle abstract problems	Reasoning	Abstract-thinking, more intelligent, bright, higher general mental capacity, fast learner
Reactive emotionally, changeable, affected by feelings, emotionally less stable	Emotional stability	Emotionally stable, adaptive, mature, faces reality calm
Deferential, cooperative, avoids conflict, submissive, humble, obedient, easily led, docile	Dominance	Dominant, forceful, assertive, aggressive, competitive, stubborn, bossy
Serious, restrained, prudent, taciturn, introspective, silent	Liveliness	Lively, animated, spontaneous, enthusiastic, happy go lucky, cheerful, expressive, impulsive

Expedient, nonconforming, disregards rules, self indulgent	Rule-consciousness	Rule-conscious, dutiful, conscientious, conforming, moralistic, staid, rule bound
Shy, threat-sensitive, timid, hesitant, intimidated	Social boldness	Socially bold, venturesome, thick skinned, uninhibited
Utilitarian, objective, unsentimental, tough minded, self-reliant, no-nonsense, rough	Sensitivity	Sensitive, aesthetic, sentimental, tender minded, intuitive, refined
Trusting, unsuspecting, accepting, unconditional, easy	Vigilance	Vigilant, suspicious, skeptical, distrustful, oppositional
Grounded, practical, prosaic, solution orientated, steady, conventional	Abstractedness	Abstract, imaginative, absent minded, impractical, absorbed in ideas
Forthright, genuine, artless, open, guileless, naïve, unpretentious, involved	Privateness	Private, discrete, nondisclosing, shrewd, polished, worldly, astute, diplomatic
Self-assured, unworried, complacent, secure, free of guilt, confident, self satisfied	Apprehension	Apprehensive, self doubting, worried, guilt prone, insecure, worrying, self blaming
Traditional, attached to familiar, conservative, respecting traditional ideas	Openness to change	Open to change, experimental, liberal, analytical, critical, free thinking, flexibility
Group-oriented, affiliative, a joiner and a follower dependent	Self-Reliance	Self-reliant, solitary, resourceful, individualistic, self sufficient
Tolerated disorder, unexacting, flexible, undisciplined, lax, self-conflict, impulsive, uncontrolled	Perfectionism	Perfectionist, organized, compulsive, self-disciplined, socially precise, exacting will power, control
Relaxed, placid, tranquil, torpid, patient, composed low drive	Tension	Tense, high energy, impatient, driven, frustrated, over wrought, time driven

Source: Conn and Rieke, (1994); adapted from Cattell, (1951).

However, Cattell's 16 Personality Factor Model has been greatly criticized due to its inability of replication. Kline and Barret (1983) tried to replicate it using the exact same methodology as Cattell, being able to verify only four of the sixteen factors.

According to Gibb (1969), there are five qualities that every good leader possesses and are inherent in him as a part of his personality. These qualities are:

- Intelligence.
- Extroversion.
- Empathy.
- Adjustment.
- Self-confidence.

Stodgill (1974) deepened on the subject and proposed his own trait theory by studying successful leaders, and assuming that any person who possesses those traits could also become a great leader. He identified several traits and skills as critical to leaders (Table 3).

**Table 3: Traits and skills a leader needs to succeed**

<b>Traits</b>	<b>Skills</b>
Adaptable to situations	Clever (intelligent)
Alert to social environment	Conceptually skilled
Ambitious and achievement-orientated	Creative
Assertive	Diplomatic and tactful
Cooperative	Fluent in speaking
Decisive	Knowledgeable about group task
Dependable	Organized (administrative ability)
Dominant (desire to influence others)	Persuasive
Energetic (high activity level)	Socially skilled
Persistent	
Self-confident	
Tolerant of stress	
Willing to assume responsibility	

Source: Stodgill (1974).

This theory was expanded by McCall and Lombardo (1983), who researched successful and failed leaders and identified four primary traits by which a leader is made:

- Emotional stability and composure: calm, confident and able to handle stress.
- Admitting error: willing to accept mistakes rather than cover them.
- Good interpersonal skills: able to convince others to follow him without needing to use negative or coercive tactics.

- Intellectual breadth: less specialized knowledge of many areas rather than a narrow specialized area of expertise.

Nevertheless, many empiric studies have proven wrong all these trait theories and is now widely accepted that a leader is not born such for having a specific set of traits or skills, but emerges as a leader as a response to a specific situation, environment or group. This is why many other authors researched about the contingency or situational factors affecting leadership.

### **2.3.2. Lewin's three main leadership styles**

According to Lewin (1939), there are three main leadership styles, which are considered the classic styles as there was not much written about leadership before Lewin's work.

#### **2.3.2.1. Authoritarian style**

The authoritarian leader makes decisions without consulting the others, as he believes he is above them and way better qualified, so involving his subordinates in the decision-making process would only delay it and increase the risk of deciding wrong.

The leader offers clear instructions on what's to be done, when, how and by whom, because he believes that workers are unable to develop their job properly without his guidance. He does not care much about the possible complains and does not have a close relationship with the rest of the team (Lewin, 1939).

It is possibly one of the most extended leadership styles, especially on aged companies with also aged leaders that have been on top for a long time. It is a style based on power and obedience, creating a deep dependence on the leader for the decision making.

Lewin (1939) found out in his experiments that this style is the one that causes more discontent among the subordinates, and that it is very hard for an authoritarian leader to move on to another leadership style and give up power. In any case, it can still be suitable for some situations (Table 4).

**Table 4. Advantages and disadvantages of authoritarian leadership**

<b>Advantages</b>	<b>Disadvantages</b>
Right when the leader is actually the most qualified for making decisions	If too aggressive, it causes frustration, discontent and even fear
Quick decision making	Not suitable for experienced teams
Satisfies the leader's need of power	Creates dysfunctional environments, with submitted employees
Clear instructions and chain of command	Decreases creativity

Source: self-made.

### 2.3.2.2. Participative style

Also known as democratic, the leaders that adopt this leadership style involve the rest of the team in the decision making process, although decisions are not always made by consensus, as the leader may hold the final say if an agreement can't be reached. Even in that case, members are encouraged to participate in the decision making process and their opinions are heard and taken into account.

The participative leader knows he is not always right and he may not have all the information needed to make the best decision, so he trusts on their subordinate's knowledge and skills to get their feedback that may point out something he is missing. That way the final decision will be better for the whole group's sake (Lewin, 1939).

Lewin's study found out that the democratic style is typically the most effective one of the three he identified, as it keeps a good balance between the power-based authoritarian style and the complete freedom of the delegative style.

Participative leaders do not give away all their power, but do not use it in a dictatorial way either, so the members of a team leaded this way usually feel they are treated fairly and their contributions are important. That increases their motivation and creativity, as well as their commitment to the group, and makes them appreciate the leader. The relationship between leader and followers is closer in this style than in the authoritarian or the delegative (Lewin, 1939).

Although it is the one that produces better results, in some occasions it might be not the best choice (Table 5).

**Table 5. Advantages and disadvantages of participative leadership**

<b>Advantages</b>	<b>Disadvantages</b>
Increases motivation, fosters creativity	Not suitable for inexperienced teams
It takes into account all points of view	Slow decision making
Close relationship between leader and group	
Collaborative and cooperative environment	

Source: self-made.

### 2.3.2.3. Delegative style

The delegative or laissez-faire leadership style is the one where the leader leaves most of the decision-making process to his subordinates, minimizing his involvement in it. Although it may seem like the best style from the subordinate's perspective, because the leader heavily relies on them and they should be motivated for this reason, research concluded that it was the least productive of all three (Lewin, 1939).

The lack of guidance, clear goals, defined roles or responsibilities tend to employees being unable to work independently, demotivation, poor coordination and collaboration, evasion of responsibilities and subordinates blaming one another when something goes wrong. On the other hand, it offers good results when the group the leader is dealing with is highly qualified, maybe even more than the leader, and there is no need for a central coordination.

For a leader to decide to lead using this style, he must completely trust each and every one of the members of his team, as he is still the leader and he is putting his reputation at stake. Even though it is the style that obtains the poorest results, it can still be used in very specific situations (Table 6).



**Table 6. Advantages and disadvantages of delegative leadership**

<b>Advantages</b>	<b>Disadvantages</b>
Autonomous teams	Limited participation of the leader
Trust in the subordinates	Lack of clear goals, guidance or defined roles
It frees time for the leader	Evasion of responsibilities and conflict
	Poor coordination and collaboration
	Decreases productivity

Source: self-made.

#### 2.3.2.4. Lewin's methodology and conclusions

Kurt Lewin carried out in 1939, along with R. Lippit and R. K. White, a series of experiments on the impact of different leadership styles on children's aggressive behavior. The aim of these experiments was to understand how it was possible that a dictator like Hitler turned rational human beings into completely obedient machines.

The experiments consisted in assembling three groups of kids that met after class and worked on different activities under the supervision of three different leaders, one of each style. The groups rotated every six weeks so every group was under the supervision of every leader.

The results of the experiments are as following:

- Authoritarian: the kids worked really hard when the leader was closely supervising, but turned hostile and fought one another when the leader was not around, unable to behave as a team. They were completely submitted to the leader and did what he ordered without hesitation. Their initial high performance gradually decreased due to aggressiveness and individualism.
- Participative: the kids had a good relationship between them and interacted naturally. They complimented their partners when they did a good job and were motivated. Even if their performance was not as high as with an authoritarian leader at first, it was in time, and the work they did was of much higher quality.
- Delegative: when having little or no supervision, the kids performed at the lowest rate and did the minimum effort. They lacked motivation and didn't interact much with their partners. Having so much freedom lead to chaos.

The conclusions of Lewin's experiments are:

- The participative style is the most effective one.
- An authoritarian style leads to high performance at first but to hostility and aggressiveness in time.
- The delegative style turned out to be the less effective of all three, resulting in less coherent work patterns and less effort put in the tasks.

### **2.3.3. Fiedler's contingency model**

Fiedler (1965) proposed a contingency model about leadership. He assumed that there was not a leadership style that always worked better than the others, but that the situation played a key role in the success or failure of a leadership style.

The development of the LPC (Less Preferred Coworker) questionnaire (Fiedler, 1965), allowed him to identify the three main dimensions that affected the suitability of a certain leadership style in a concrete situation. The dimensions are:

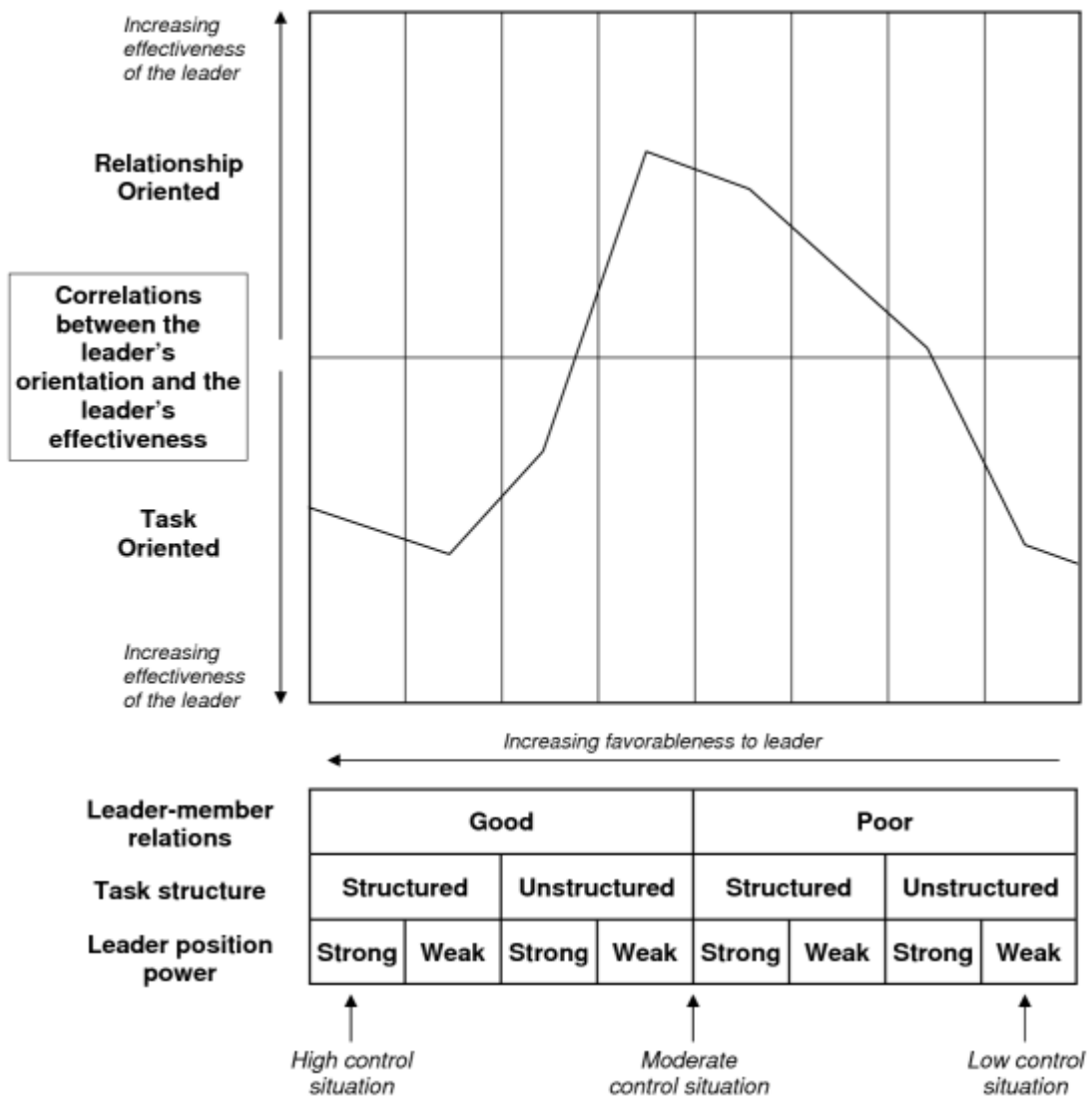
- Relationship between the leader and the followers: the degree of trust between them, the loyalty, respect and attachment from the group towards the leader or the willingness of the group to follow the leader's instructions are considered in this dimension.
- Structure of the task: it becomes harder to lead when a task is ambiguous and unstructured than when it is well defined and structured.
- Leader's position of power: this dimension is related to the formal power the leader has over his followers and that is given by the position he has within the organization. It becomes easier to lead when the leader is in a powerful position.

Fiedler (1965) then described two extreme and opposite leadership styles:

- Task oriented leadership: this style is similar to the authoritarian style Lewin introduced, and it consisted in the leader closely supervising the subordinates, giving them clear instructions and making all the decisions by himself. The main goal of the leader is to achieve the production goals and to keep up with the schedule.
- People oriented leadership: this style focuses on the needs of the employees rather than in the task or schedule. It provides them with guidance and support, as well as freedom, and the main goal of the leader is to create and maintain a good relationship with his followers.

Using this model, Fiedler (1965) identified eight possible leadership styles. In Figure 1 we can see how the two opposite extreme styles are represented on the upper and lower parts of the table and each one of the eight alternative leadership styles are closer to the task oriented leadership or the people oriented one, depending on the combination of values on each dimension. Thus, each combination of values, that represents a specific situation, has a particular leadership style that suits it better than the others.

**Figure 1. Leadership style changes depending on the situation**



Source: Fiedler (1965).

### 2.3.4. Blanchard and Hersey's situational leadership

This theory was first introduced in the book *Management of Organizational Behavior: Utilizing Human Resources* (Blanchard and Hersey, 1969), and it was developed by Blanchard some years later, becoming what is known nowadays as the situational leadership II. This approach agrees with Fiedler's contingency theory on thinking a specific situation has critical effects on the success or failure of a leadership style.

Blanchard and Hersey (1969) think that the leader should adapt his leadership style to the maturity of the group of people he is supposed to lead, understanding maturity as the capability and willingness of the group to perform a certain task. He identified four possible levels of maturity (Table 7).

**Table 7. Level of maturity of the followers**

<b>Level of maturity</b>	<b>Characteristics of the followers</b>
R1	Low competence and commitment. Insecure, unable or unwilling.
R2	Some competence and variable commitment. Unable but willing.
R3	High competence and variable commitment. Able but unwilling or insecure.
R4	High competence and high commitment. Able and willing.

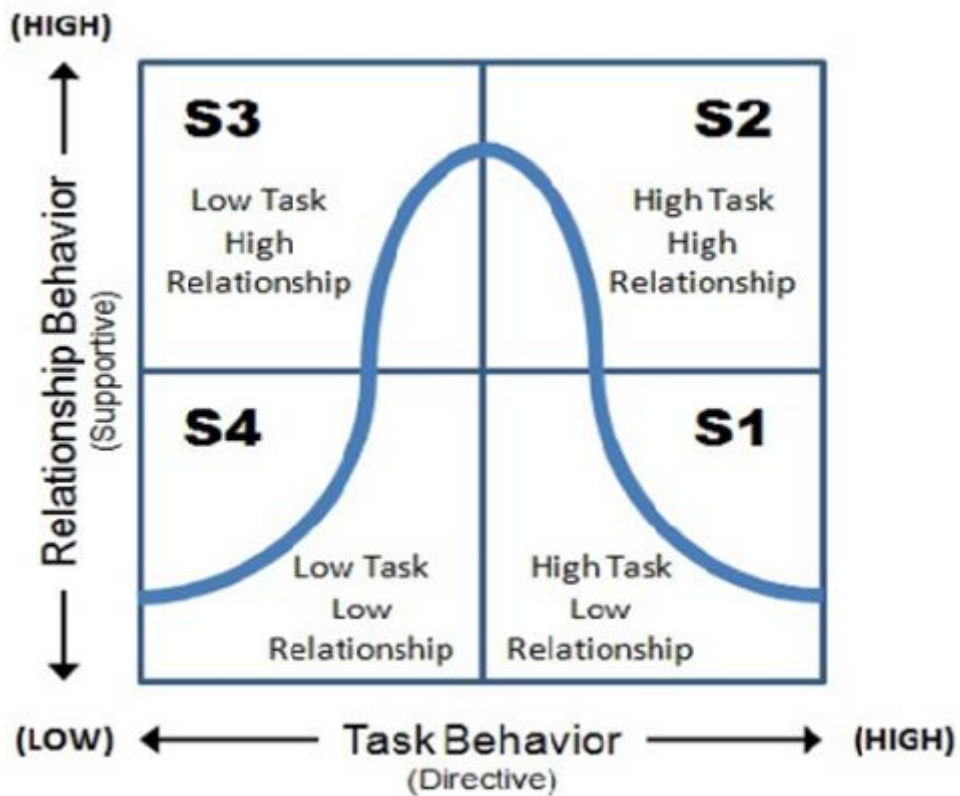
*Source: self-made, based on Blanchard and Hersey (1969).*

There is another dimension Blanchard and Hersey (1969) consider in this approach and it involves the leader's behavior towards the group. The leader can adopt two basic behaviors:

- Task/directive behavior: the leader focuses on the tasks, giving direct and clear orders on what is to be done, how, when and where, leaving no room for creativity. Communication exists mostly downwards and the leader also closely supervises their follower's performance.
- Relationship/supportive behavior: the leader focuses on his followers, listening to them, and providing them with guidance, advice and support. Communication goes both upwards and downwards, as the leader constantly interacts with the group and includes them in the decision making process.

Using these two dimensions, Blanchard and Hersey (1969) presented four different styles of leadership where the leader adapts his behavior to the maturity of the group (Figure 2).

Figure 2. Situational leadership styles



Source: Blanchard et. al. (1985).

#### 2.3.4.1. Directive style (S1)

This is the right style to use when the followers are not competent, committed, insecure or unwilling to perform a task. The leader should focus highly on the task and not much on the relationship.

When a leader faces a situation where the follower cannot do his job or is unwilling or afraid to try, the leader clearly defines the roles and goals of the group, giving specific instructions of what is to be done, how, when and where, and closely supervising that the followers stick to these instructions. He is also the one responsible for making all the decisions and does not include any of the followers in the decision making process.

#### 2.3.4.2. Coaching style (S2)

This style suits well when the followers are quite competent and committed, and motivated to carry out the tasks they are given, but unable to do so on their own. In this situation the leader should focus on both the task and the relationship with the followers.

A leader that uses this style asks for the opinion of the followers while keeping the power to make the decisions and directing the group. Although he does not give up his power, it is an improvement if we compare it with the directive style because it opens a communication channel that runs both ways as the leader takes into account how his followers feel about the decisions he makes, his suggestions and opinions. He also explains his decisions so everyone can understand the reasons that are behind each decision he makes.

#### 2.3.4.3. Supportive style (S3)

This leadership style works well when the followers are competent and quite committed, but not motivated or insecure about the task. The leader should approach a situation like this by highly focusing on the relationship and not much on the task.

When the leader realizes that his followers know how to do the job but are not doing it properly, he must find out what the problem is and address it. For that reason, he gives up some of his power by letting the followers in the decision making process and the problem solving, and his role is to support and advice the followers in their decisions, listening to their point of view and complimenting them when they do a good job.

#### 2.3.4.4. Delegative style (S4)

This is the right way to lead a team when the followers are competent and committed, as well as motivated and willing to do the job. The leader focuses neither on the task nor on the relationship.

When dealing with a group that can perfectly work on its own and is willing to do so, the leader, after a dialogue where the followers are notified and agree about it, completely transfers the responsibility and the decision making power to the followers. This

leadership style requires a high level of trust as the leader is no longer in control of the tasks or the decisions the group makes. It is a quite risky style to use so the leader has to make sure that the followers are indeed capable of succeeding without his lead and motivated to do so.

This is an approach that considers that the most relevant situational factor affecting leadership is the maturity of the followers that are supposed to be leaded and that its development will determine which leadership style will better apply when attempting to lead them. Therefore, a leader will succeed when he correctly identifies at what stage of maturity are his followers and adapts his leadership style to it, focusing more on the task that is to be performed or on the relationships among the group. (Blanchard and Hersey, 1969; Blanchard et.al. 1985). As an overview, we can say that the directive and the coaching style are leader-driven, while the supportive and the delegative style are follower-led.

### **2.3.5. The transactional-transformational approach of Burns**

Burns (1978) approached the leadership theory from a different point of view, including many of the previously introduced leadership styles in a style he named transactional, and proposing a new one, which had also similarities to some of the styles other authors identified, the transformational style.

#### **2.3.5.1. Transactional leadership**

Most of the theories seen so far agree in considering the relationship between leader and follower as an exchange, where if the follower does as the leader says and gives a high performance, he will get something in return, while the leader will obviously benefit from the follower's performance. This doesn't mean that the leader is always authoritarian, and many times he is there to aid the followers with their tasks, but focuses only on satisfying individual or small group interests rather than on making the group share a common vision and have a common purpose.

Burns (1978) named those kinds of leaders transactional leaders, and considered them to be immature and selfish, as they put their individual goals ahead of the group's best interests. The transactional leader has no interest in modifying the normal flow of operations, and usually fails to plan long term strategies, focusing too much on daily issues.

These are the characteristics of a transformational leader:

- Contingent reward: transactional leaders positively link effort and reward, exchanging one for the other with the followers, in a previously set amount that should satisfy both parts.
- Management by exception: only when something unusual occurs the leader steps in to make some correction. Leadership is responsive and only deals with daily issues, failing to see the big picture.
- Follower's control: leaders use standard forms of inducement, reward, punishment and sanction to control followers, monitoring their performance in order to decide how to proceed.
- Extrinsic motivation: transactional leaders motivate their followers by setting goals and promising rewards if the followers give the desired performance and the goal is achieved. Intrinsic motivation is not used by transactional leaders.
- Leadership by power: the leader has to be in a position of power in order to be able to reward or punish their followers for their performances. He is only followed because of that power he sustains, and if he ever loses it their former subordinates would not follow his lead anymore.

#### 2.3.5.2. Transformational leadership

A transformational leader, unlike a transactional one, is not afraid of changing the organization's culture, but willing to. He understands that a transactional leadership does not work if one wants to accomplish long term objectives, so instead of focusing on managing the day-to-day operations, he focuses on building an organizational culture and transmitting it to the rest of the group to secure the organization's future. This means focusing his efforts on team-building, motivation and collaboration, linking the personal values of each individual to the organization's culture and making them be a part of a whole. To do that, transformational leaders must lead by example and be the first ones to do so, so everyone else can identify with them.

Although they are commonly treated as opposites and considered to be mutually exclusive, Bass (1989) viewed them as continuous rather than opposite. He considered that a transformational leadership was an extension of a transactional one, and ineffective if the total absence of a transactional relationship between leaders and followers. Moreover, he stated that a transformational leader could act as a transactional one if necessary, but that was not possible the other way around.



According to Kouzes (1997), transformational leaders inspire others to surpass themselves, provide individual recognition, stimulate new approaches and ways of thinking and facilitate the subordination of their own interests to the groups' ones.

These are the characteristics of a transformational leader:

- Creativity: transformational leaders must be creative when facing problems and be able to identify alternative approaches if the initial one does not solve the problem.
- Inspirational motivation: it refers to the leader motivating the followers to work for a goal that is beyond any of the individual interests. Transformational leaders use intrinsic motivation to motivate their followers to do a task because they want to and believe is the right thing to do, not because of the reward they will get for it.
- Vision: related to inspirational motivation, a transformational leader is able to focus on the long term and have a vision, and then shares that vision with the rest of the group and makes them a part of it. This way a bond is made between leader and followers as they share a common vision of the organization, and they all work towards that vision.
- Follower's development: it is a leader's duty to create learning opportunities for his followers and encourage them to solve problems so they can develop themselves, both personally and professionally.
- Individualized consideration: followers are treated differently but with equity. This means the leader has to know well each one of their followers to provide personal advising, to address individual needs or challenges. All this effort is done by the leader in order to line up the different individual interests with the organizational ones.
- Intellectual stimulation: the leader supports the followers questioning themselves, their way of doing things, and even the leader's opinions. A transformational leader empowers his followers so they can assume responsibilities, address problems on their own and try new ways of doing things. By doing that the followers are more motivated, committed and satisfied with their job, leading to personal and professional growth from which the organization benefits.
- Interactivity and proactivity: a transformational leader must constantly interact with his followers. They have to be able to reach out to him easily, communication channels must be open both sides and the leader has to possess good communication skills to benefit from it. Furthermore, proactivity is

also required in a transformational leader, constantly forming new expectations in followers.

- Charisma: it is also required that the leader has personal qualities that make the followers want to follow him. He has to be capable of influencing others by making them idealize him, and that can be achieved by the leader having passion for what he does, conviction on the common vision he shares with the rest of the group, ethics and moral behavior, or prestige, among other qualities.
- Coherence between the leader's actions and the mission, vision and values of the organization: last but not least, a leader has to be true to the mission, vision and values he has created for the organization. If his actions do not agree with that, he will lose credibility and the trust of his followers.

### **2.3.6. Carmazzi's environmental leadership style**

The most recently introduced leadership style is the environmental style, introduced in the book *Lessons from the Monkey King: Leading Change to Create Gorilla-Sized Results* (Carmazzi, 2007). The environmental leader is the one that uses psychology and self-awareness to create a self-sustained environment that affects on how the individual perceives he fits in the group or organization, what his role is and how the consequences of his actions affect the rest of the group.

Organizational culture is used by the environmental leader to inspire the members of the group motivating them to complete require tasks not because they are told so but because they want to do it for the benefit of the group. The environmental leader, instead of carrying the group, sets an environment where the group members want to carry one another and are empowered to do so, and learn from one another during the process. This way, leaders are developed at all levels (Carmazzi, 2007).

Since a leader's actions affect the psychology of the rest of the individuals within the group as well as the culture of the group or organization, he must manage 7 key psychological influences (2 keys of personal awareness and 5 pillars of transformation) to create a culture that supports his vision of the organization as a whole, that makes the rest of the group understand that vision and their role in it and fosters motivation, collaboration and co-learning in order to fulfill the group's best interest (Carmazzi, 2007).

Self awareness leads to recognition of the keys, which he must accept before he can build the 5 pillars of a transformational environment. The 2 keys of self awareness are:

- Key number 1: concentrate on growth and results, do not blame or make others wrong: This means making others right, making decisions that allow others to succeed and develop their abilities, not ones that may make others wrong just to support the leader's ego.
- Key number 2: create opportunities to make others successful and positively acknowledge their specific actions that lead to that success: Once a member of the group has taken an action that has made the whole group succeed, the leader should acknowledge the one that has made the success possible.

The 5 pillars of transformation are the main support a leader has to foster his ability to modify group dynamics and to set an environment that brings out the best in others. Building these five pillars is essential as through the process of building them the leader and his team come closer to embrace the two keys of self awareness (Carmazzi, 2007). So as it can be seen, there exists a close relationship between the building of the five pillars of transformation and the modification of the leader's own behavior through the achievement of the two keys of self awareness. The 5 pillars of transformation are:

- You must have a greater purpose: the team must have a purpose that is greater than any personal goal, yet the achievement of that team purpose will provide personal satisfaction. The environmental leader must inspire the team to focus their efforts on the greater purpose rather than on individual goals, because they believe that achieving the common goal is more important than their personal interests and by doing it both the group and the individual will be fulfilled.
- You must have a methodology you believe can make a change: the team must believe that as a group they can make change happen, that they can individually grow to be better and that, through the common wisdom of the group, they can also improve the organizational culture and the work environment. All of this is not possible if the leader does not provide the people of his team with a psychological methodology that they can all recognize and believe that can effectively make change happen.
- You must speak a common language: the psychological methodology applied to the group carries with it a specific language. The environmental leader must use that language and encourage the rest of the group to use it, as that language reinforces the higher purpose and helps understand awareness and

change. The leader must set the example of applying communication that supports the greater purpose.

- You must have unified identity: the greater purpose must be given a name as it makes it easier for the group to identify with it, creating a common identity. It is the leader's responsibility to solidify that identity and make the rest of the group to associate themselves to that common identity and everything it represents, making them a part of a greater purpose.
- You must maintain an internal supportive environment: over time, the role of the environmental leader becomes to nurture and develop environmental leaders within the teams of the organization. When the environment that the leader has set can successfully fulfill the growing emotional needs of satisfaction, it will have become an environment that completely meets the greater expectations of the modern world and, as the process matures, the leader will be less and less essential than it was. Yet it must not be forgotten that this kind of environment cannot be created without the proper leadership.

### 2.3.7. Similarities between the different leadership styles

After analyzing the different approaches of several authors regarding leadership, we find there are similarities between the leadership styles they identify and introduce in their papers.

The different leadership styles studied in this paper can be classified in 4 main types (Table 8).

**Table 8. Similarities between the different leadership styles**

	<b>Lewin</b>	<b>Fiedler</b>	<b>Blanchard &amp; Hersey</b>	<b>Carmazzi</b>	<b>Burns</b>
<b>Type 1</b>	Authoritarian	Task-oriented	Directive	-	Transactional
<b>Type 2</b>	Participative	People-oriented	Supportive	Environmental	Transformational
<b>Type 3</b>	Delegative	-	Delegative	-	-
<b>Type 4</b>	-	-	Coaching	-	-

Source: self-made.

- Type 1 would include Lewin's authoritarian style, Fiedler's task-oriented style, Blanchard & Hersey's directive style and Burns' transactional style. These styles have in common the leader's high focus on the task and control, and his little concern for relationships at work and employee well being. They all consider employees as a necessary input in order to produce, but do not see their motivation as a key element of organizational productivity.
- Type 2 would include Lewin's participative style, Fiedler's people-oriented style, Blanchard & Hersey's supportive style, Carmazzi's environmental style and Burns' transformational style. These styles share the vision of a leader as a person who is more focused on employee well being and motivation than on having absolute control over them and their work. These leaders consider employees as a key element of organizational productivity, so they let them into the decision making process and put a lot of effort into their motivation, as that will make them more productive in benefit of the organization.
- Type 3 would include Lewin's delegative style and Blanchard & Hersey's also delegative style. These two styles introduce a leader that is usually not around and delegates all the work and decision-making process to his employees. It is not frequently used and not very effective, so many authors do not introduce it into their approaches as it is of less relevance.
- Type 4 would only include Blanchard & Hersey's coaching style. This style can be considered as a variation of the type 2 styles, as it introduces a leader who is concerned about employee well being and motivation, but does not let employees into the decision-making process due to their incapability or insecurity. He asks employees their opinion, but the power to make the decision remains entirely in his hands.

As it is shown in the table, the main types of leadership almost every author considers in their approaches are Type 1 and Type 2. Although they use different names to describe them, the different authors talk about a style that is focused on tasks, control and schedule, which would be Type 1, and another style that is focused on relationships, motivated employees and well-being at work, which would be Type 2. These are the two main types of leadership used nowadays and are the ones that will be considered when studying how leadership and internal communication interrelate.

### **3. ORGANIZATIONAL COMMUNICATION**

#### **3.1. What is organizational communication?**

Andrade (2005, p.15) defines organizational communication as: *“the overall of messages exchanged between the members of an organization and between the organization and its external stakeholders. It is a field of human knowledge that studies the way in which the communication process takes place within the organizations and between them and their environment, and the knowledge acquired through the research of the organizational communication process is used to develop a strategy that is supposed to facilitate and speed up the flow of messages between the members of the organization and between the organization and its environment”*.

Organizational communication comprehends both internal and external communication, depending on who is the recipient of the message, being the external communication the one aimed at the external stakeholders and the internal communication the one that takes place between the members of the organization, within the organization itself.

Although the external communication is of high relevance to understand the organization’s performance and its results, in this paper I am going to focus on internal communication, as it is the one that has a direct impact on employee motivation and organizational climate.

#### **3.2. Importance and effects of internal organizational communication**

The management of organizational communication must adapt to meet the social changes that have occurred in the past few years, where society has evolved from being focused on work to being focused on leisure, and where the individual plays a key role (Túñez, 2012).

Internal communication is the means through which people relate to an organization in order to reach the common good, so it must imitate the social changes in order to remain up-to-date with the people it involves (Barnard, 1939).

Internal communication takes place between the different groups that are a part of the organization, that are managers, workers, collaborators and occasionally owners. In order to be effective, communication should flow without having to deal with hierarchical barriers, and should provide all kinds of information regarding the

organization to its members before it is revealed externally to increase their trust and sense of belonging.

In the pursuit of a planned process of professional intercommunication, Smith (1991) identified six fundamental principles for the manager and the communicator, which he named the six commandments of effective communication:

- Employee communication is a fundamental component of the management process and should be viewed as a contributing partner with other key staff functions in influencing employee understanding of both business goals and public relations issues.
- A clear statement of commitment by top managers is essential, as is their participation in and support of the communication process at all levels of the organization.
- Communication must be a planned process, a strategy, involving both communication professionals and key management people.
- Managers are the key conduits and catalysts for effective communication, and the system must recognize their need for information, training and rewards for good communication performance.
- Priority business issues should be the core content of the employee communication program and should be discussed in an open and understandable manner through various channels of communication.
- The communication process should undergo regular evaluation to prove its worth in terms of employee-management relations as well as employee performance and awareness of key public issues.

According to Robbins and Judge (2009), internal communication plays four main roles within an organization:

- Control: communication can act both as a way of checking and ensuring that the organization is having a proper performance, or as a way of detecting and correcting possible malfunctions.
- Motivation: it is widely accepted that motivation plays a key role in employee performance, so if the manager is skillful, he can use communication to increase employee motivation. This can be done not only by showing the employee how to do his job, but also explaining what it is that he is doing and why is it important for the organization, as well as letting him know when he is doing a good job.

- Emotional expression: many members of the organization find in it his main social interaction environment due to the amount of time they spend in it. This is why communicating with their peers is the way many employees have to expressing themselves emotionally.
- Information: the last role is the more obvious, and it is that internal communication allows information to flow through the organization, helping its members with the decision-making processes.

Internal communication is the carrier that allows the opinions of all the members of the organization to come together and make a common reflection of the organization, considering four main characteristics (García Jiménez, 1998):

- Corporative: helps find and establish a corporative personality and identity.
- Operative: is the way to share technical knowledge and positive attitudes of implication and collaboration in order to achieve a better overall performance.
- Cultural: it teaches how to behave within the organization, its beliefs, inner assumptions, behavioral rules and values.
- Strategic: it is essential while designing organizational strategies, as every plan of action needs a communication strategy in order to be successfully carried out.

Internal stakeholders are groups of individuals, who live in a society that is participative, dynamic, and who constantly get and give information through many communication channels, so the organization must take advantage of that and eliminate hierarchical barriers, allowing them to collaborate and bring their ideas together, creating a better work environment. Internal communication can be divided into three main kinds, depending on the nature of the work relationships (Piñuel, 2010):

- Professionals, relationships related to the organizational activity, and that consider employees as agents who share both rules and roles.
- Of partnership, relationships based on informal communication that take place within the organization, and that affect personal attitudes and motivation.
- Of identity, relationships associated with the organizational culture.

In order to be effective, internal communication should not just inform employees, but motivate them. This is closely related to the different theories that studied the satisfaction of employee's needs, such as Maslow's (1943) and Herzberg's (1959), and the organization must first identify those needs and then try to fulfill them by recognizing employee performance or its importance for the organization.



Employee motivation can be improved if internal communication focuses on (De Marchis et al., 2007): establishing clear objectives and roles for each member, recognizing their individual work, giving them psychological security (absence of threats), having clear rules and behavior guides, delivering support messages, recognizing their importance as part of a team, giving them freedom to act as themselves, recognizing their contribution to the overall organization performance, and making them see challenging work as a positive incentive.

Therefore, internal communication must take into account not only administrative or normative aspects, but also psychological, social and anthropological factors that have an impact on employees. To that end, it must use approaches that imply emotional intelligence to deal with non-rational situations and information (Túñez, 2012).

### **3.3. Types of internal communication**

Internal communication can be classified into many different categories depending on the approach of the classification. Thus, there is not only one way to classify internal communication, but many ways that are not discriminatory to one another (Table 9).

**Table 9. Types of internal communication**

Actors	Hierarchy	Initiative	<i>Vertical</i> : emitter and recipient are hierarchically separated.	<i>Downwards</i> : from higher to lower hierarchy.
				<i>Upwards</i> : from lower to higher hierarchy.
			<i>Horizontal</i> : emitter and recipient are hierarchically equals.	
		<i>Mixed</i> : both vertical and horizontal.		
	Participants		<i>Interpersonal</i> : from individual to individual.	
			<i>Massive</i> : from one emitter to multiple recipients.	
	Temporary coincidence		<i>Synchronous</i> : it is received at the same time it is emitted.	
		<i>Diachronic</i> : it is received afterwards.		
Message	Type		<i>Informative</i> : aims to let employees know how the organization works and what is happening in it.	
			<i>Normative</i> : communications regarding the compliance of the rules and responsibilities.	

		<i>Motivational</i> : aims to create or maintain a positive inner environment.	
		<i>Of belonging</i> : aims to reinforce the employee satisfaction of being a part of the organization.	
	Media	<i>Oral</i> : verbal communication.	
		<i>Audiovisual</i> : images and sound.	
		<i>Written</i> : linguistic codes.	
		<i>Non-verbal</i> : gestures and paralinguistic codes.	
		<i>Multimedia</i> : through various media.	
	Transmission	Channel	<i>Driven</i> : using a diffusion media.
			<i>Direct</i> : personal contact between emitter and recipient.
		Flow	<i>Unidirectional</i> : from emitter to recipient without possibility of answering.
<i>Bidirectional</i> : in response to a previous message.			
<i>Dialogue</i> : bidirectional and synchronic.			
Intention		<i>Formal</i> : through the channels and procedures established by the organization.	
		<i>Informal</i> : not using the formal channels and procedures.	

Source: (Túñez, 2012).

- Participants: depending on the number of agents taking place in the communication process, this can be:
  - o *Massive*: when one single emitter targets a large group of individuals as recipients.
  - o *Interpersonal*: when the participants are reduced to one emitter and one recipient. Interpersonal communication is present in almost every interaction between the members of an organization and it has to be polite and respectful in order to avoid conflict and foster good relationships.
  
- Channel: depending on how the communication takes place it can be:
  - o *Driven*: when the message is delivered through any kind of media, and there is no personal contact between emitter and recipient.
  - o *Direct*: when the message is personally delivered face to face from the emitter to the recipient.

Choosing one channel over the other will depend on how routine the message is. Studies carried out by Robbins and Judge (2009) show that direct communication is more effective than driven one.

- Hierarchy: depending on the position of the participants in the organization chart, communication can be:
  - *Horizontal*: when communication takes place between individuals or groups that hold the same rank within the organization. When it regards members holding a high hierarchical position, it uses to be formal and work related, while when it regards low hierarchies it uses to be informal and both work related and personal.
  - *Vertical*: when communication takes place between individuals that hold a different hierarchy within the organization. It is usually work related and the degree of verticality depends on how many hierarchical levels the organization has.
  - *Mixed*: when communication is both vertical and horizontal. Some authors call it crosswise or diagonal.
  
- Initiative: depending on who starts the communication process, this can be:
  - *Downwards*: when the emitter holds a higher hierarchical rank than the recipient. This is the case of a boss transmitting orders, rules or any information regarding the organization to his employees. It should also be used to motivate subordinates and foster their sense of belonging.
  - *Upwards*: when the emitter holds a lower hierarchical rank than the recipient. It rarely takes place in an organization unless it has a good work environment of trust and people can speak their minds freely without being afraid of doing so. Upwards communication provides feedback to the directives, so it should be fostered by an open communication policy free of reprisal.
  
- Media: depending on how the message is delivered, communication can be:
  - *Oral*: when the message is delivered verbally.
  - *Non-verbal*: when the message is delivered through gestures and paralinguistic codes of communication.
  - *Audiovisual*: when the message is delivered using images and sound.
  - *Written*: when the message is delivered using linguistic codes, whether it is handwritten or mechanically, and read on paper or on screen.

- *Multimedia*: when the message is delivered using more than one media simultaneously.
- Intention: depending on the degree of formality of the transmission, communication can be:
  - *Formal*: when it is transmitted through the proper channels established by the organization and it is registered for further consulting. Formal channels are used to deliver work related information, to coordinate and control the operations that take place in the organization.
  - *Informal*: when communication happens outside the channels established by the organization, whether it is deliberate or not. Informal communication usually takes place between members who work close to one another, members whose roles require them to communicate frequently and members who have a personal relationship outside the organization.
- Type: depending on the aim of the message, this can be:
  - *Informative*: when the purpose of the communication is to inform the members of the organization about anything related to it. It is better if any news that are about to be revealed externally are previously revealed internally in order to improve the organizational climate.
  - *Normative*: when the purpose is to make sure that the obligations and responsibilities are carried out by the members of the organization.
  - *Motivational*: when the purpose is to increase the implication on a project or to solve possible conflicts. This communications aim to create and maintain a positive work environment.
  - *Of belonging*: when the purpose is to increase the sense of belonging of the members of an organization towards the organization. It mainly includes communications about work recognition and its relevance in the overall performance of the organization.
- Temporary coincidence: depending on the time lapse between the emission and reception of the message, communication can be:
  - *Synchronic*: when the recipient gets the message at the same time that the emitter is emitting it, allowing instant bidirectional communication.
  - *Diachronic*: when it is emitted at a certain time and received afterwards, not allowing an instant response.

- Flow: depending on the flow of the communication, it can be:
  - o *Unidirectional*: when the message flows from emitter to recipient, without a possibility of response.
  - o *Bidirectional*: when the message is a response to a previous message.
  - o *Dialogue*: when communication is bidirectional and synchronic.

### **3.4. Internal communication tools**

Internal communication tools are used to make internal communication more effective and the use of one or another will depend on the purpose of the communication, the recipient and the situation. Its effectiveness is conditioned to the skills of the emitter (Túñez, 2012). The basic internal communication tools are the following:

- Electronic bulletin: reflects public news about the organization. It is convenient that the members of the organization receive it before it is released externally.
- Internal bulletin: reflects internal news about the organization, but it is only distributed within the organization. It is periodical and it contains information about activities, services, departments or business endeavors of the company. It has to contain information that is useful for both managers and employees, if it wishes not to become a failed and ineffective communication.
- Suggestion box: it can be a physical box or a virtual space where the members of the organization can deliver their ideas or suggestions in order to improve different aspects of the organization. Its effectiveness will depend on the participation and the willingness of the directives to pay attention to employee's suggestions and not just ignore them.
- Claim campaign: it is an alternative to the suggestion box and it consists in periodically establishing a certain days when any member of the organization can openly approach managers and let them know their claims, suggestions or ideas. In order for this to be effective, employees have to feel safe about speaking their minds and managers must be able to take bad comments without reprisal.
- Letters: physical mail is still used in organizations to communicate relevant organizational information, or for more personal purposes such as individual recognition or greetings card. In order to keep its power to impact, its frequency has to remain low.
- Memorandum: it is similar to the internal bulletin, but only distributed to a certain department or section of the organization, as its information is only relevant to them.

- Quality circle: it consists of periodical meetings of a reduced group of people in which they discuss problems that they identified and improvements that can be made in the organization.
- Working lunch: are formal calls to a meeting for lunch that aim to foster internal cohesion and personal relationships between the participants. Even if it is convened formally, the communication that usually takes place in this kind of meetings is informal.
- E-mail: it is one of the most used tools of internal communication due to its speed and low cost. Its advantages can also become inconvenient if they induce to a wrong use, so its use should be only to deliver relevant information to the recipient. Otherwise, if the recipient is overwhelmed by too many irrelevant e-mails, this tool becomes a source of noise and loses its effectiveness.
- Surveys: it is used to measure different aspects of the organization, such as employee satisfaction or organizational climate, and it can also be used to detect problems. In order to be effective, it must guarantee anonymity, so employees can give their real opinion freely. If not, employees can lie to avoid possible reprisals.
- Presentation leaflet: also used in external communication, it contains a brief presentation about the basic information of the organization. Internally it is useful to get new employees familiarized with the company.
- Intranet: it is an internal network that allows instant communication, only accessible to the members of an organization through a personal access code. It can be considered more as a medium through which many tools can run, and it allows to virtually carrying out all the traditional actions of internal communication. The intranet is supposed to be used for formal communications, so the members of the organization should only use it for work-related purposes. The main communication tools that the intranet offers are forums, e-mail, on-line chats, virtual suggestion box, e-learning or videoconference, among others.
- Employee handbook: it is a document that introduces the organization and its basic features to new employees, in order to make their integration easier. It is handed to new employees so they can familiarize with the organization, so they know what they are offered but also what is expected of them.
- Loudspeaker: it is used to make announcements of global interest for all employees.

- Work meetings: they can be periodically scheduled or in response to a particular situation. In these sessions, members of the organization discuss the previously settled agenda and when the session ends the minutes are redacted as evidence of who attended the meeting, when and where it took place, and the agreements and conclusions accorded. A copy of the meetings must be handed to all the participants.
- Bulletin board: it is a board that is traditionally placed in a crossing point of the organization, usually in the access zones or the common break zones such as the cafeteria or the dining room. In this board managers can put information about the organization, but also employees and trade union representatives can use the board to pass on information to the rest of the organization. Many organizations have replaced the traditional boards for screens or illuminated boards, but its effectiveness remains low as not many people pay attention to what is posted there.
- Videoconferences: they are used to attend work meetings between people that are in different places without having to travel to a meeting point. Their use is the same as the work meetings but for when the attendants are geographically apart.

## **4. INTERRELATION BETWEEN LEADERSHIP AND INTERNAL COMMUNICATION**

### **4.1. Transactional leadership / restricted communication**

Transactional leaders tend to manage internal organizational communication by relying on procedures and giving clear orders on what to do to their subordinates (Burns, 1978). If we analyze their communication style using Tuñez's classifications of internal communication we find out the following:

- **Hierarchy**: transactional leaders often use a vertical communication, as it goes from them to their subordinates.
- **Initiative**: communication happens downwards, leaders are the ones that initiate it and subordinates usually lack ways to do it.
- **Participants**: although interpersonal communication takes place in organizations lead by transactional leaders, massive communication is more common, being the leader the emitter and destined to many recipients.
- **Temporary coincidence**: internal communication is usually diachronic, through different media that store the message and deliver it later in time.
- **Type**: the most common types of internal organizational communication used by transactional leaders are informative and normative, due to their focus on the task and procedures.
- **Media**: audiovisual and written are the two main media used to pass on the message, although oral communication is also important when a subordinate has to be given direct orders regarding his individual work.
- **Channel**: as said in the previous point, driven communication using media supports is the usual. Direct communication is used to give direct orders.
- **Flow**: transactional leaders usually communicate in a unidirectional way, as they are not really interested in employee's opinion.
- **Intention**: formal communication prevail over informal one in organizations lead by transactional leaders, as they are more comfortable by setting rules and following standard communication procedures than dealing with an open communication policy.

The effects of a transactional leadership and its characteristic internal communication policy on employee motivation and on organizational climate are not positive, and in some cases, can decrease employee motivation and deteriorate organizational climate.



By relying so much on rules and procedures and keeping a restricted communication policy that flows basically downwards and in a formal way, employees usually feel their opinion is not heard, and sometimes not even welcomed. This, along with the other features of the transactional leadership, creates a bad work environment that turns into frustrated, unmotivated employees with a very low sense of belonging to the organization.

#### **4.2. Transformational leadership / Open communication**

Transformational leaders, unlike transactional ones, tend to manage internal organizational communication by setting it free and letting information flow throughout the organization in an organic way (Burns, 1978). If we analyze their communication style according to Tuñez's classifications of internal organizational communication, the results are as following:

- Hierarchy: in organizations lead by transformational leaders, communication happens both vertical and horizontal as it flows freely.
- Initiative: due to the open communication policy, the initiative to communicate is of both the leader and the followers, so it happens upwards and downwards.
- Participants: transformational leaders focus on individuals more than on large groups of people and try to provide individual attention and support to their employees, so communication is usually interpersonal.
- Temporary coincidence: synchronic communication is the most commonly used by transformational leaders as it allows employees to respond and provides valuable feedback.
- Type: although informative and normative communication is something necessary within an organization, transformational leaders focus more on communication that motivates employees and increases their sense of belonging to the organization.
- Media: in organizations lead by transformational leaders, internal communication uses all kinds of media to flow, so it is multimedia. Audiovisual and written communication are needed in order to transfer formal work-related information, but oral and non-verbal communication are as important as the others in order to be able to communicate in a faster and more dynamic way and to foster good relationships between the people of the organization.
- Channel: internal communication happens both in a driven and in a direct way, as all kinds of media are used to communicate and some are driven while others are direct.

- Flow: dialogue is the preferred type of communications of transformational leaders as it allows instant feedback and is much closer and personal.
- Intention: while formal communication cannot be totally avoided as it is always necessary to communicate work-related information that would be unprofessional to communicate in an informal way, informal communication is fostered by transformational leaders as it allows people to bond and creates good relationships at work, establishing a better work environment and organizational climate, and increasing the employee's sense of belonging as they get along well with their coworkers.

The effects of a transformational leadership and its characteristic internal communication policy on employee motivation and on organizational climate are positive, increasing motivation and setting a better work environment.

By applying an open communication policy and allowing it to flow naturally within the organization, employees feel their opinion is important and taken into account, and that they belong in the organization. This, along with the other features of the transformational leadership, creates a positive work environment that turns into highly motivated, implicated and committed employees with a strong sense of belonging to the organization.

#### **4.3. Effects of the combination on the organizational climate**

The concept of organizational climate emerged in the 1960s as a result of the research done by some authors. Tagiuri (1968, p.27) defines it as:

*A relatively strong enduring quality of the internal environment of an organization that (a) is experienced by its members, (b) influences their behavior, and (c) can be described in terms of the values of a particular set of characteristics (or attributes) of the organization.*

On that same year, the developers of the Organizational Climate Questionnaire (OCQ), Litwin and Stringer (1968, p.187) stated that "organizational climate is a concept describing the subjective nature or quality of the organizational environment. Its properties can be perceived or experienced by members of the organization and reported by them in an appropriate questionnaire".

Tagiuri (1968) considers that organizational climate influences the behavior of the members of an organization, while Litwin and Stranger (1968) see it as a determinant factor. In both cases, the authors refer to an influence on how the members of the organization do their jobs, as they consider organizational climate determines aroused motivation, which leads to a better performance.

Once established that organizational climate is key to employee motivation, it remains to be seen what affects organizational climate. In the Organizational Climate Questionnaire (OCQ), six dimensions were considered (Litwin and Stringer, 1968):

- Structure: it refers to the sense of employees of having their jobs well organized and having clearly defined roles and responsibilities.
- Standards: it refers to the pressure employees put up with to improve performance and their own degree of pride they take in doing a good job.
- Responsibility: it refers to the degree of freedom employees have in their daily work, if they are responsible to make their own decisions or have to double-check them.
- Recognition: it refers to the feelings employees have about rewards, if they are fairly compensated for a job well done, and if that outweigh the criticism and punishment.
- Support: it refers to the environment that prevails in the organization, to the trust and support among its members.
- Commitment: it refers to the sense of belonging employees have towards the organization, to the pride they have in belonging to it and their commitment to the organization's goals.

Now let's review how leadership and internal organizational communication are relevant to these dimensions:

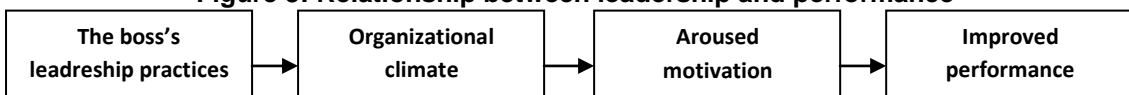
- Structure: it is the leader's duty to make sure everyone knows what is his or her role within the group and what is expected of them, as well as communicating so to the rest of the group.
- Standards: the leader influences this dimension through his excess or lack of pressure on the rest of the employees. An autocratic style can push too hard for results, while a delegative style can be too loose to achieve a high performance.
- Responsibility: it is also a leader's job to delegate on the rest of the group. The degree of freedom and decision-making power of the members of the group will depend on the leadership style used by the leader. Lewin's studies focused on

how the overall performance changed depending on the involvement of the members of the group in the decision-making process.

- Recognition: both leadership and internal communication have an effect on this dimension. The leadership style will determine the punishment and reward policy, and the leader will have to communicate effectively both positive and negative comments about employee's performance. The transactional style Burns introduced focuses on this dimension.
- Support: the leader will set the example on how to act when a mistake is made, so if he is supportive with whoever made the mistake, the rest of the group will be too. On the other hand, if he is not supportive, the rest of the group won't be either. As we have seen, Carmazzi's environmental style is based on building a supportive environment.
- Commitment: achieving the commitment of the group is not easy, and it will require a series of leadership and communication skills from the leader in order to make it grow, but a miss-step in an action or a communication can swiftly lower the commitment of his followers. It is perhaps the hardest dimension to positively modify.

Taking into account these six dimensions of the organizational climate, and considering what has been seen previously when addressing leadership and communication, it is clear that leadership has a direct effect on every dimension, while internal communication has an effect on some of them. According to Stringer (2002), that sets a chain reaction that ends up having an effect on performance (Figure 3).

**Figure 3: Relationship between leadership and performance**



Source: Stringer (2002).

## **5. CONCLUSION**

The purpose of this study was to unify the different approaches that have appeared regarding leadership and internal organizational communication, and to determine the impact they have on employee motivation, organizational climate and, finally, on organizational performance.

In order to do so, a theoretical review of leadership was undertaken, finding out that, despite the many different theories and approaches existing on the matter, many authors consider that there are two main leadership styles that are extensively used nowadays, which are the transactional and the transformational, and another style that is less used and produces poor results, the delegative. Even though they give them different names, they all agree that one of the main leadership styles consists in having absolute control over employees, giving direct orders and constantly supervising and being task-focused, while the other consists in giving employees more freedom, caring about their well-being at work, including them into the decision making process and fostering good relationships, focusing less on the task and more on the people (Lewin, 1939; Fiedler, 1965; Blanchard and Hersey, 1969; Burns, 1978, Carmazzi, 2007).

The other concept studied in this paper was internal communication, which has been also theoretically reviewed to find out that it indeed plays a key role in the organization and has to be periodically adapted to meet the social changes (Barnard, 1939; Smith, 1991; Tuñez, 2012).

The main functions of internal communication in an organization are to be a tool for being aware of what happens within the organization and having control, an effective way to motivate employees, a way of expressing emotions and, finally, a way to pass on information between the members of the organization (Robbins and Judge, 2009).

Although there is an agreement about the importance of internal communication and its main functions, its classification is still a challenge nowadays because of its complexity and the several dimensions to be considered. This is why it is easier to establish different non-excludible classifications, and then analyze a specific communication style based on its different dimensions (Tuñez, 2012), to end up bringing them together to establish a degree of openness or restriction. The internal communication tools used by the organization will be closely related to its degree of restriction. Therefore, the closest one can come to classifying internal communication is to do it dimension by

dimension, and then determining an overall degree of openness or restriction, which is often quite subjective.

Once reviewed both concepts separately, it was interesting to see if there was a relationship between them, if a specific leadership style tends to use a characteristic internal communication. In order to do so, I have analyzed Burns' transactional and transformational style using Tuñez's different dimensions of internal communication, to end up establishing a degree of openness or restriction that can apply to most of the organizations lead using one of these two leadership styles. Burns' leadership styles are a perfect representation of the two main types of leading many authors describe under different names, and his approach is one of the most extended and well-known ones among the academic community, so it suited perfectly for this purpose.

It is not to be forgotten that the findings regarding Burns' transactional style can also apply to Lewin's authoritarian style, Fiedler's task-oriented style, and Blanchard and Hersey's directive style, while the findings regarding transformational style can also apply to Lewin's participative style, Fiedler's people-oriented style, Blanchard and Hersey's supportive style and Carmazzi's environmental style.

When combining both concepts, we find out that, as one would expect, transactional leadership tends to use a type internal communication that is restrictive in many of the dimensions analyzed, focusing more on the technical aspects of communication, seeing it as a meaning to transmit information and to keep control. On the other hand, transformational leaders prefer to focus on the emotional aspect of communication, letting it flow through the organization to let people express themselves and to foster good relationships, motivation and sense of belonging. Therefore, it showed to have an important degree of openness when analyzed according to Tuñez's dimensions of communication. So, to summarize, transactional leaders tend to restrict internal communication, while transformational leaders tend to open it.

Finally, it remained to be seen the impact of the combination of leadership and internal communication on the organization. Organizational climate has the capacity to influence the behavior of the members of an organization and to increase or decrease their motivation (Litwin and Stringer, 1968; Taguiri, 1968;). Considering the dimensions of organizational climate introduced by Litwin and Stringer (1968), which are structure, standards, responsibility, recognition, support and commitment, we find out that leadership has a direct effect on all of them, while internal communication has a direct

effect on structure, recognition and commitment, and it also affects indirectly standards, responsibility and support.

Therefore, we can say that leadership and internal organizational communication have a clear effect on organizational climate, and as organizational climate is determinant to employee motivation, we can also say leadership and internal organizational communication have an effect on it. Moreover, as motivation is a key element to employee performance, which determines organizational performance, we can conclude that, through a series of relationships between all these concepts, leadership and internal communication have an effect on organizational performance. Along these lines, “what the boss of a group does is the most important determinant of climate. The boss’s behavior drives climate, which arouses motivation. And aroused motivation is a major driver of bottom-line performance” (Stringer, 2002).

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