Abstract

In order to be perceived as good company it is not just enough to have a good reputation and results. It is also very important to create a good working environment for employees and possess knowledge in attracting new customers. This is where the term employer and employee branding emerges. But this aspect is relatively wide, and rarely can be examined in one thesis. This is why narrower topic communication processes have been chosen. It is very important that company knows it's internal and external environment. These two things are crucial for company’s long-term success and very related to each other.

Companies should know their employees to prevent that they become dissatisfied with working conditions, feeling unpleasant or unheard. This is the aim of internal communication to prevent it, as from the internal communication processes in a very straight way depends what image company's employees are going to deliver to the external audiences. It is of the interest of company to know their customers, to be able properly to advertise and promote their products, in the same time being able to attract more customers continuously. On the other hand, relationships of customers and employees are directly affected by their perceptions and attitudes towards the company. So, the aim of external and internal communication is to form those attitudes in accordance with how they want to see themselves in the future.

In this thesis there is used academic literature including definitions for employee branding, employer branding, corporate communication and human resource management. The literature search on the subject is followed by a real-life case study of Bank Citadele. The study aimed at finding out how could communication processes be organized making them more effective. In order to be able to answer this question a sample of three branch managers with different working experience in Bank Citadele were selected for taking part in a qualitative study.

There were conducted focused interviews which reveled that all branch managers considered communication being a very important issue internally, as well as externally for the company. All the interviewees admitted that the bank is engaging in the communication processes very actively, although the ones, who have been working at the bank for a longer period of time, could identify some problems such as excess of information and lack of information passed to employees in branches.

Aligning both theory and results from the interviews solutions, for further development and improvement of corporate communication processes in Bank Citadele were proposed. Even though not so much research is done on the topic of improvement of communication processes, for their continuous development it is suggested to adapt Lean Six sigma approach to boost creativity and excellence in this area, necessary to organize team building and assess the voice of customer.
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Appendix 1

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Appendix 3
1. Introduction

Effective communication processes lie in a background of every company that wants to be successful in a long term (Purves, 2005). Usually with the word communication people understand the interaction with others on everyday basis with the aim of exchanging information. On the organizational level, communication is divided more narrowly - in external and internal communication. Internal communication is communication among organization's management and internal stakeholders (Welch, Jackson, 2007), whereas external communication is the one focusing on the audiences outside the organization (Saunders, 1999). Both internal and external communications together are being identified as corporate communication. Linking together the above said, this thesis will examine processes of internal and external communication through a real case study of Bank Citadele. This bank was used primary for the reasons, that it is a state owned, which signalizes for more stability for customers. The other reason is that even though bank was established in a result of restructuration, management has identified that they want to establish completely new image of a bank, not mixing it together with a former bank Parex. Lastly, bank has shown very good results in their annual report, which is the main indicator of their successful work.

Bank Citadele, which major shareholder is Latvian state, was established in June 2010 as the result of restructuring of the former Parex bank (citadele.lv). On the basis of the former bank, new bank was established with new name, new shareholders and new organizational structure. There were departments that were established from a scratch. One example is Corporate communication department that did not exist before the restructuring, and it was Marketing department that was taking care of all the communication processes inside and outside the bank. In December 2011 Corporate Communication department was established. With the development of a new mission and vision, focus shifted from the new structural issues to the stakeholders. Now it was important for the bank to enhance the internal culture of a company, and establish customers’ trust as a strong and stable bank.

At the time of writing this thesis the Corporate communication department has been working independently for nine months. This time period is enough to evaluate the contributions of internal and external communication, analyze inefficiencies and establish goals for further improvement. From the meeting with a head of Employer branding department and managers of Corporate communication department was concluded that the bank is interested in evaluation of the work done by Corporate communication department during the past nine months. The main actors of interest regarding this are branch managers, who are considered being an important part of communication processes between branch employees and management.
The focus on branch managers will be set, as, according to the head of the Employer Branding, they can provide a valuable outlook for evaluation of internal and external communication processes in their own branch and bank as a whole.

1.1 Problem statement and research questions

The main problem, identified by the head of Communication department was following: How can bank organize communication processes making them more effective? This is also the main problem of the bank, as no specific research has been made before and taking into account that the department is very new for everyone working in the bank. This question will serve as the main guidance through the whole thesis.

Besides that, corporate communication department expressed their interest in two more narrow problems, which were formulated as following: are internal and external communication processes complementing each other, and how can corporate communication department be investigated with respect to internal and external communication?

And second problem: how are employees of organization affected by internal and external communication processes and how branch managers are valuing them?

The above questions will be addressed based on previously gathered literature reviewed and later examined by studying a corporate communication department in a company.

1.2. Approach and Methodology

In order to find solutions for the previously identified problems, a real-life case study of the Bank Citadele was used. When applying case study to a research, it gives an opportunity for more complex and deeper exploring to build the study on (Crane, 1998). Data has been collected from a semi-structured in depth interviews, which were recorded, transcribed and analyzed according to proposed models of Miles & Mangold (2004); Horrigan (2010), by making own combined model suitable for this analysis.

1.3. Delimitation

Following study is made in Latvia, Riga, where the main Headquarters of a bank are located, so the research does not include any other countries, where bank is situated. Another limitation of the study is that for qualitative interviews sample of three branch managers are used. Daymon and Holloway (2002) identify that three face-to-face interviews with one participant over time, is an optimum number in order to keep the focus on participants and save time. For more precise results it would be necessary to comprise broader number of interviewees. Though the interviews were aimed to highlight the main angle of the research, as it was assumed that branch managers,
according to working experience will have similar knowledge and proposals regarding improvement of work of corporate communication department.

1.4. Thesis structure

To start with, the full profile of a bank will be introduced. Later the theoretical background will follow, which will review the different sources of theory in project. Next part will consist of the qualitative research based on the semi-structured interviews with the branch managers, who will be asked for their critical evaluation of the corporate communications departments' investments. At the very end, by evaluating the responses of the interviewees and comparing them with the theory proposed by researchers, solutions for the problems identified above will be proposed.

2. Case company - Bank Citadele

In this thesis the company of interest is the Bank "Citadele", which is a full service financial group for private and individual companies offering complete portfolio of banking, financial and private capital management services in Latvia and internationally.

Name Citadele (in Italian - cittadella) means a medium city, a mighty fortress, the main fortification, the heart of the feudal city, which at the same time serves as an administrative and cultural center. Bank Citadele was established on 30th June 2010 as a consequence of successful restructuring of former bank "Parex", which positive actives have been moved to the newly established Bank Citadele. Bank has started working independently on August 1st 2010 (translated from Latvian from citadele.lv, 2012). Bank Citadele is a local bank in Latvia, which is represented in eleven other countries - Lithuania, Estonia, Sweden, Azerbaijan, Kazakhstan, Moldova, Germany, Ukraine, Russia, Belarus and Switzerland. The Bank's vision is to become the leading investment management service provider in the Baltic States and to provide value added services and investment solutions to the it's clients. It is the only bank in Latvia and Lithuania which is entitled to issue American Express ® credit cards (Citadele Bank, 2012).

Major shareholders of the bank are the Latvian State (owing 75% minus one) and EBRD (European Bank of Reconstruction and Development (25%). In year 2012 in a study by the Baltic Institute of Corporate Governance, Bank Citadele was recognized as the best governed state-owned enterprise in the Baltic States (Citadele Bank, 2012). Main Citadele Group's areas of operation include accepting deposits from customers, granting short-term and long-term loans to a wide range of customers, servicing payment cards, dealing with finance lease and foreign exchange transactions. Services offered to clients also include trust management and private banking, local and international payments and a wide range of financial services (Annual Report, 2011)
According to the quarterly report of Bank Citadele, during the 1st quarter of 2012 the bank continued growing steadily, completing the quarter with 4.1 million lats (5.9 million Euro) before impairment and taxes, performing much better than during the same quarter last year. The Bank’s total assets were 1.32 billion lats (1.9 billion Euro) on March 2012. The loan portfolio was approximated to 614.8 million lats (882 million Euro) and capital and reserves totaled to 87.5 million lats (12.5 million Euro). Deposits of customers during the 1st quarter of 2012 reached 1.10 billion lats (1.6 billion Euro) (Public Financial Information, 2012).

Strategy of the bank is based on a sound, profiting and influential business model in these business segments - retail services, corporate services and private capital management. More than 7800 new clients have chosen Bank Citadele as their partner within the 1st quarter of 2012. And a study conducted by SKDS market has shown, that Citadele is ranked as number three among all banks in Latvia. Besides that it’s stability and security index has continuously increased (Public Financial Information, 2012).

In year 2011, the number of clients of bank Citadele increased by 34 thousand people. The same year, they also introduced several new and unique products to the market, such as launch of "win-win", an innovative payment card product, which enables customers to manage their everyday payments with two payment cards, at the same time receiving discounts, opportunities and advantages offered by American Express and Master Card.

Bank has also introduced novelty for the Baltic States - the New Mortgage Loan. This loan provides for discharging liabilities by handing over mortgaged real estate to the bank. Bank has also expanded its range of products for small and medium enterprises, launching new financial instruments. Bank has also started issuing payment cards named 'Citadele', offering an opportunity to receive discounts for groceries and at the local petrol stations.

On 31st December 2011 the Citadele Bank group was employing 1'604 full-time employees and the number of employees of the bank reached 1’211 (Annual Report, 2011).

2.1 Corporate communication incentives

"Corporate communication is the method by which large and medium size companies communicate with customers, stakeholders and employees" (pratapantony.com). The Corporate communication has been formed as a separate division in Bank Citadele in January 2012, and is now employing 5 people - director of communication department, two managers and two assistants. Until that time, it was up to the Marketing division to coordinate all the internal and external communication activities. The late establishment
of the department is the reason why the communication was left as unimportant, and it was not receiving the necessary attention from the management. Corporate communication department is necessary for a company in order to communicate effectively with both employees and the external audiences. Even though it is a corporate communication department, external and internal activities have to be separated, as they both require a different approach to manage them (pratapantony.com). Usually responsibilities of corporate communication manager involve following: coordination of balance between external and internal audience, dealing with all the PR issues (introducing company usefully to the media or special events), organization of conference, show and exhibition etc., production of marketing materials, production of press releases etc., marketing research and evaluation etc. (scribd.com). All these responsibilities are necessary to establish corporate identity, corporate culture and brand equity through internal and external media.

When interviewing the external and internal communication managers in Bank Citadele, they were asked to identify their primary responsibilities. Internal communication manager has identified the following responsibility: to plan the goals strategically (with publications) to motivate employees. And external communication manager has identified following as very necessary-providence of publicity, social activities, in schools and universities. Both Internal and external communication managers pointed out that these activities are very important in activation of the image of the bank and for distributing information on the Internet and through Social networks.

As in August 2012 corporate communication department had existed just for half a year, it was necessary to evaluate the efforts of internal and external communication departments. After meeting with the head of department and managers, it was decided to investigate the necessity and importance of corporate communication department. Head of the department pointed out that it would be very interesting for them to examine the branch managers in relation to internal and external communication.

3. Theoretical background

Before moving to the practical implications it is important to look at the theoretical background. After looking at the several different theories, based on the grounds of research, choice of the most applicable and useful in the particular case will be made.

3.1. Branding and Human resource management

Nowadays, Human resource management is of a crucial importance for every company's success. Organizations have to excel in marketing, communication and
branding, and build bridges with these functions to create sustained corporate success (Martin, Beaumont, 2003). That’s why it very important to distinguish between these areas, but not unify them in one general – Human resource management.

In companies like IBM and Microsoft (Anon, 2002), corporate branding is of main importance promoting their business strategy, at the same time serving as the most important filter for estimating organizational change and key decisions. Historically, there have been weak links between marketing and HR functions, but companies are starting to realize that by aligning external corporate image of organization and internal employee identity, their engagements provide chance for HR to obtain a greater voice in business. Here special importance is given to global branding and international companies. As in the process of globalization, branding and branding communication plays a vital role in strategic decision making (Martin, Beaumont, 2005).

For some companies being an employer of choice means long-term commitment from employees, indicated through organization’s values, goals and trust incentives, where it is matched by high commitment and low turnover responses from employees (Martin, Beaumont, 2003). In a semi-structured depth interviews about the relevance between human resource management and branding, was found that branding is relevant in terms of employment (Tikoo, Backhaus, 2004).

Branding and HR are linked very closely together, but at the same time there is an importance of corporate reputation, which provides a language and degree of conceptual clarity lacking in branding and HR (Martin, Beaumont, 2003). Corporate reputation brings together marketing and organizational studies, strategic management and communications (Davies et.al.,2003). The work by Albert and Whetten (1985) has been concentrated on organizational identity and developing two core concepts “external image and internal organization identity”. They are also arguing that corporate reputation is formed between organization’s representatives and outside of the world (Albert, Whetten 1985). According to Schultz et.al.,2002, there are three dimensions to the formation of reputation:

- Informal interactions among stakeholders- sales meetings, employee story telling, satisfied, dissatisfied employees
- Business press- rankings, industry press ratings
- Potential stakeholders – possible recruits, shareholders, government organizations (Schultz et.al.,2002).

Figure 1 shows relationship linkages between branding and HR. It is undisputable that views of employees are important in constructing organizational identity and image. Employees are used to construct the identity of organization through their experience and through the ways others talk about it (Martin, Beaumont 2005).
Martin, Beaumont (2005) have chosen to define organizational identity as following: perceptions employees have of their psychological contracts – things what they expect, and what is really delivered, including fairness and just treatment (Pate, Martin, 2002); and stakeholders perceptions of the organizations personality – describing generic organizational personality types. The same questions can be asked to all stakeholders, thus it allows the genuine alignment that would not be possible when testing just for identification through employee engagement alone (Davies et.al., 2003).

Figure 1 by Martin and Beaumont (2005) suggests: how HR practices can work through organizational identity and brand image to establish strong brand reputations? (Martin and Beaumont, 2005). Some of the Human resource practices include balance between ideological, relational and transactional elements; employment principle containing a novel, compelling and plausible message and employer of choice policy.

![Figure 1: Martin and Beaumont, (2005). Mapping internal identity and external image](image)

Figure 1 also highlights the importance of a brand team with the purpose of establishing brand image and identity. Also, as Martin and Beaumont (2005) propose, these teams should include members from different functional backgrounds, comprising staff from marketing, HR, communications and operations divisions. But these teams, according to Randel and Janussi (2003), can be influenced by several factors as functional backgrounds, personal identity and whole team’s demographic differences (Randel, Jaussi, 2003).

To understand what is the role of external and internal communication and how they can be defined, two aspects have to be firstly introduced. Besides that, there is necessity to look at the employer and employee branding, what will also be explained in the following chapters of this thesis.
3.2. Employer branding

The importance of employer branding has grown very rapidly, and, as presented in Part A, has been introduced in the lexicon of human resource specialists and managers. The US Conference Board’s work is probably the most complete up-to-date of employer branding. In the result of this study was found that employees were becoming a desirable target for corporate image-makers, even though term ‘employment branding’ was not used (Martin and Beaumont, 2005).

According to Martin and Beaumont (2005), there are several reasons why employer branding is of the outmost importance: there are companies in which employer branding is an important feature of their portfolio. Survey of the work of HR departments in global firms found employer branding being the most important issue international HR managers have to deal with. Many job offers are appearing for brand project managers, who can deal with external and internal issues of branding (Martin, Beaumont, 2005).

Sullivan (2004) has defined employer branding as “targeted long-term strategy to manage the awareness and perceptions of the employees, potential employees and related stakeholders with regards to a particular firm” (Backhaus, Tikoo, 2004). At the same time, the Conference board (2001) proposes that employer branding incorporates firm’s value system, behaviors, policies towards motivating and retaining the firm’s current employees (Backhaus, Tikoo, 2004).

Employer or internal branding is aimed to influence employee’s liability to be attracted and motivated for sustaining organization’s business objectives. At the same time, external branding is aimed at customer’s predisposition to purchase and recommend organization’s products, becoming a provider of choice (Sun Life Financial, p.34). Some scholars (Backhaus, Tikoo, 2004) are not distinguishing between internal branding and internal marketing. The difference is that internal branding is mostly used with connection to the internal communications.

Employer branding focuses on human capital strategic alignments with organizational goals. Some authors state that employer branding program should involve “organizational value propositions” (Knox, Bikerton, 2003). This can be also called the advantages employees are offered in particular company. The information used in value proposition can cover organization’s culture, management style, qualities of current employees, impressions of products and current employment image. Backhaus, Tikoo (2004) argue that relationships are more complex than resources exchanged and that attention should be given to the relationships and the employment structures of the employment deal (Backhaus, Tikoo, 2004).
Managers are the ones who have a very important and crucial role in the organization. Yet, not so much literature has been focusing just on employer branding influence on managers. Davies (2007) has investigated this topic. He found that there are four attributes of branding that are also relevant when talking about employer brand- ability to differentiate, ability to create loyalty, to satisfy and to develop emotional attachment.

According to Hoeffler and Keller (1998), there are two aspects contributing to brand success- awareness and image. In his paper, Davies (2007) has decided not to focus on the awareness, as it is not within the scope of this study to focus on existing employees. According to Hoeffler and Keller (1998), “Brand image concerns the associations held of a brand in memory; and brand personality, the projective technique used here, is one measure of these” (Keller, Hoeffler (1998)).

According to Davies (2007), originally, intention of branding was to distinguish one particular item from the others. The same goes for employees. They like to be associated within the particular organizations. Here employer branding has to identify employer in the minds of employees. The same goes for loyalty. Job stress, lack of commitment and job dissatisfaction are the most affective factors making employees quit the organization.

According to Davies (2007), the corporate brand’s influence on this is never considered. The most important factor is satisfaction. The role of branding is to create satisfaction. But, here, the overall satisfaction with the company will be influenced more compared with the job satisfaction. This is why, according to Roper and Davies (2007), it is important role of employer branding to promote employee satisfaction. The last factor influenced by branding according to Roper and Davies (2007) is affinity (commitment). As it is of a crucial importance for branding to promote emotional response from the target, employer branding should promote an affective response from the employee (Davies, 2007). In this survey 854 commercial managers were surveyed. Davies (et al.,2004) has used his Corporate Character Scale [Table 1] to measure findings in the study.
The following results were found: Differentiation was strengthened by enterprise dimension (trendy, exciting, daring) and chic (stylish, prestigious, elitist). It was discovered that one aspect of imagery had a negative influence on loyalty, meaning that the number of years manager has been employed is promoted by chic (stylish, prestigious), but at the same time is reduced by enterprise (trendy, exciting). Further, it was found out that the stronger one or more aspects of the employer brand’s personality, the greater will be employee satisfaction. As indicated, employee satisfaction is being promoted by and image for agreeableness (friendly, concerned, honest).

Lastly, the fourth and final hypothesis was also supported and it was found out that agreeableness was positively associated with affinity. Interestingly, also ruthlessness had a positive and significant impact on manager’s affinity. As indicated by Davies, Mian (2010) in the conclusion, it is important, that employers focus on these dimensions in promotion of employer brand, as four of them are influencing one or more of the five outcomes.

### 3.3. Employee branding

Before moving forwards to the main area of focus in this thesis, it is important to distinguish employer branding from employee branding, as in many sources of literature it is not distinguished between these two so similar, though so important definitions. In spite of the fact that this is thesis is focusing on employer branding, introducing employee branding is of a crucial importance.

Employee branding is the internalization of the desired brand image and projection of this image to the customers (Miles and Mangold, 2004) in other words, employee
branding process allows organization to consistently deliver its desired brand image to customers placing a clear position in mind of customers (Miles, Mangold, 2004).

Miles and Mangold (2004) have depicted employee branding process in Figure 2. From it can be seen that the organization’s mission and values are the cornerstones of the employee branding process. They are providing foundation for desired brand image definition. Organization’s mission and values are identifying basis for being and are presenting insight in which the mission has to be accomplished (Miles, Mangold, 2004).

Term ‘new psychological contract’ appeared in 1990’s as a part of the new recruitment problems in the ‘new economy’. Employers argued that there was a necessity to retain employees' pre-existing levels of trust, commitment and identity, especially while experiencing difficulties in maintaining old style job security (Cappelli, 1995, 1998). Psychological contract is identified as central component of employee motivation and organizational life as well as to the employee branding (Bal, Lange, jansen, Velde, 2008). It is defined as relationship between an employer and it's employees, which are mostly concerning mutual expectations of inputs and outcomes. Psychological contract is a fairness between how employee is treated by the employer and how employee is engaging in his job (businessballs.com, 2012). The limit to which organizations approve the psychological contract influences employees’ trust and motivation to interact with customers and co-workers. It is important to note that it is up to organizations to shape employee perceptions. By building employee knowledge and understanding, organizations are consistently and frequently sending messages with mission and value-based content. But very often images are being mismatched (Bal, Lange, jansen, Velde, 2008).

Inconsistent messages may result in confusion and violation of employees’ psychological contracts, with the same time negatively influencing employee turnover, productivity and loyalty. Continuing from that, violation of the psychological contract can be a reason for resigning because of the negative impact on employees’ trust and satisfaction (Robinson& Rousseau, 1994). And here in the picture comes employee-branding process that allows organization to positively influence and manage this perceptual exchange (Miles, Mangold, 2004).
According to Miles, Mangold (2004), successful employee branding efforts result in reduced employee turnover, enhanced employee satisfaction, higher levels of customer loyalty and satisfaction and a favorable reputation among stakeholders.

Rafiq and Ahmed (2000) see differences where employee branding underpins with concept of internal marketing. Firstly, in internal marketing, various marketing tools and processes can be used to motivate employees to achieve goals and objectives, especially if they are relating to cooperation with external customer (Gronroos, 1981). In some literature employees are being perceived as internal customers, and by satisfying employees, the same key has been viewed as having satisfied external customers (Berry, 1981; George, 1977). As the last underpinning concept point of internal marketing according to Rafiq and Ahmed (1993), it has been seen as a device by which organizational strategies can be implemented and change can be accomplished.

Based on the definition of Rafiq and Ahmed (2000), internal customers of organization are focused towards delivering satisfaction to the organization’s external customers. On the other side, according to Miles, Mangold (2008), “employee branding utilizes all organizational systems, including internal marketing methods, to motivate employees to project the desired organizational image”. This image is projected through employee attitude, appearance and manner of communication with customers (Miles, Mangold, 2008).

4. Corporate brand communication flow

Before introducing concept of the main part of thesis, it is necessary to start with definition of the corporate communication, which establishes further linkage of the external and internal communication processes in organization. Though communication is
very important in every organization there are not so many articles defining these two aspects of communication.

Word 'communication' is defined very differently in every source. The difference is in the author’s primary interest in the meaning of communication, and the definition is particularly based on that aspect. The word 'communication' can be already perceived as definition, but it is not like that in reality. The communication act can be defined as a tactic to achieve something (Cartier, Harwood, 1953). "The key ingredient of communication. The more you communicate, the more issues you open up to address" (Turkel, 2004).

Cartier and Harwood (1953) express that the absence of unified communication theory is a large causal effect presenting lack of cooperation and coordination. There is need for a functional definition. When hearing word communication, we immediately think of words telephone, letters, and radio. Shortly, it can be summarized that communication means the transfer of ideas among people (Cartier, Harwood, 1953).

On the organizational level the professionals of employer branding need in-depth understanding of communication concept to be able to derive the strategies and tactics contributing to engagement building. It is important to emphasize the difference between internal and external communication. Internal communication is an important factor for development of employment engagement (Welch, 2011). It can be understood as communication between organization's strategies supervisors and internal stakeholders, in order to promote commitment to organization with the means of belongingness, awareness and understanding of goals (Welch, Jackson, 2007). On the other hand, external communication is the one focusing on the audiences outside the organization, contributing mostly to company's bottom line (Saunders, 1999). There is sufficiently more literature focusing on internal than external communication, as internal communication shapes the engagement of employees, conveying values of organization to all it's employees (Welch, 2007).

Both earlier introduced aspects of communication in organizations are identified as corporate communication. Cornelissen (2010) defines it following:" The tactics and media that are used to communicate with external and internal groups. Argenti (1996) states that organization’s reality can be reflected in the image and when it is corporate, it is seen through the eyes of it's members. Corporate communication department is conducting research in order to understand needs and attitudes of these members, with the means of better communication. There are close links of corporate communication to management communication and they are both very closely related to each other. The difference between to concepts is that corporate communication provides the discipline that is going much further than management communication, which is teaching writing and spelling, but not the linkages to global environment and cross-cultural communication. Thus, both of the fields suffer from the same problems (Argenti, 1996).
According to Purves (2005), communication is one of the keys for success for professionals. In service industries relationships with employees and customers are especially critical. The corporate brand communication flow can be represented as a triangle as in Figure 3, where there is interaction between three elements- organization, employees and customers.

According to Horrigan (2010), at the top of the triangle is represented organization, interacting with both employees (internal communication) and customers (external communication). Organizations are presenting the information about who they are and what is their brand like. In the same way, organization’s brand is formed by employee and customer feelings and attitudes (Kimpakorn, Tocquer, 2010). Within the services industry, organization’s brand image is built from the interaction with organization's employees (Kimpakorn, Tocquer, 2010).

![Figure 3: Horrigan (2010) Corporate Brand communication flow](image)

The ultimate brand image of the organization is determined by the customers and their experiences with organization (Horrigan, 2010), and if the expectations promised do not reach an acceptable level, then the ultimate experience and valuation will be compromised, and even the best service will not make up for unmet promises (Balakrishnan, 2009).

Relationships between employees and customers are affected by their attitudes, perceptions and behaviors (Horrigan,2010). Additionally, a bad employee experience with
customer will affect his attitude as much as customer’s attitude. In a result, to ensure an effective brand value communication, it has to be understood firstly by the employee. As identified by Keller (2009), brands also have emotional characteristics. To ensure emotional coherence between brand, employee and customer, there should be a consistent communication between the organization, employee and customer (Punjasiri & Wilson, 2007).

From the presented findings, it can be concluded, that it is necessary to successfully communicate the value of the brand and establish its differentiation within the marketplace to employees and customers (Horrigan, 2010).

4.1 Internal communication

As identified in the previous sections, internal communication is an important internal branding initiative that has to be successfully implemented to ensure brand's success. It is the communication within particular company.

Successful internal communication departments know that communication is of a crucial importance. Kalla (2005) identified four different domains of internal communication: business communication, management communication, corporate communication and organizational communication. All these terms can be used as one single term - Internal communication.

Welch, Jackson, (2007) defined internal communication as following: "The communications transactions between individuals and/or groups at various levels and in different areas of specialization that are intended to design and redesign organizations to implement designs, and to co-ordinate day-to-day activities”. But Smidts et al. (2001) interpreted it as employee communication and applied to the considerations regarding employee communication with supervisors and colleagues. "Internal communication is the communication that exists within a company, between and among employees. It can take many forms, such as face-to-face casual conversations, formal meetings, phone calls, emails, memorandums, and internal wikis. Communication within an organization is key to success. An organization’s adaptability to external changes relies on efficient communication internally" (businessstraining.com).

On the other side, Berger (2008) refers to internal communication as employee/organizational communication. Based on the article in the Journal of Strategic communication management and other internal communication publications, it was found that internal communication operates five roles: communicator, educator, change agent, communication consultant an organizational strategist (Berger, 2008).
Alignment of the goals of individual employees to organizational goals is seen as an important task for internal communication. This alignment is necessary in order to build a strong organizational culture (Tkalac, Vercic et al., 2012). It is not possible to perform managerial activities without using internal communication. Even though internal communication is a separate research field, in many organizations internal communications are located either in the 'Communication' or 'Human Resources' departments. The reason for this is that it is not seen as separate department (Tkalac, Vercic et al., 2012).

Internal communication incorporates both – official and unofficial communication. Official communication constitutes memos, guidelines, policies, procedures, etc. Whereas unofficial communication extends in all directions among line staff members, meaning exchange of ideas, opinions, development of personal relationships and proverbial conversations (ctb.ku.edu). Two decades before, Kithchen and Daily (2002) researched how internal communication makes organizations more effective. Several scholars have proven the empirical evidence on the positive relationship between internal communication and organizational effectiveness (Tkalac, Vercic, 2012). Conduit (2001) is identifying main benefits of internal communication - improved productivity, reduced absenteeism, higher quality of services and products, increased levels of innovation, fewer strikes and reduced costs.

Because of the importance of internal communication and lack of empirical research, Tkalac and Vercic (2012) conducted a Delphi study in Europe to determine the perspectives of the topic among representatives of national associations in the Federation of European Business Communicators Associations (FEIEA). Respondents were coming from 11 different European countries, and that was the reason why they were exposing multiculturalism. Some findings of Delphi studies were as following: respondents felt, that internal communication should motivate employees and in a result create value for the company.

Also Delphi data revealed, that areas like human resources, change management, organization development, marketing and general management, public relations, corporate strategy and corporate human resources and corporate communication are the closest perceived to internal communication. Participants also identified that writing, speaking, oral presentations, gathering and analyzing data and knowledge from the Internet are important skills for internal communication experts. In a conclusion of Delphi studies was stated that word 'internal' has to be redefined, as there is need for broader meaning of it. And here the question arises, if Eurozone can be defined as an organization. If there is agreement on that, then cultural impact on internal communication becomes important, but has not been discussed in the research so far (Tkalac, Vercic 2012).
4.2 External communication

Also external communication is a very important corporate communication element. It is crucial for creating brand image and identity. “Existing and potential customers have perceptions towards the corporate brand based on the organization’s external brand related communication activities, such as being exposed to the company’s advertising and interacting with customer facing-staff, particularly in the service sector” (Cheng, Punjasiri, Foster et al., 2010).

"External communication focuses on audiences outside the organization as consumers, investors, regulatory bodies etc. Examples of tactics by external communication include factsheets, press kits, newsletters, magazines, brochures, news releases and annual reports" (Saunders, 1999, p.35). Also tactics as speeches, conferences, open houses and tours, public projects include tactics directed to external audiences.

According to Saunders (1999), external communication activities significantly contribute to company's earnings. And even though CEO's of the companies identify these activities as vital to the companies' success, they are not able to identify their impact (Saunders, 1999). Explanation for this trend may be that effectiveness of communication activities has been measured exclusively to the extent to which they meet communication goals. As an example here may be an increased awareness, positive attitudes and supportive action (Hon, 1997).

Saunders (1999) believes that good business habits drive good external communication. This means, that as companies begin to develop and prize the habits of excellence, a corresponding desire and need for good communication also increases. She also admits that many companies have already integrated communication programs in organizational strategic planning and goal setting. Saunders (1999) enlists that companies with good external communication activities would exhibit traits and characteristics of visionary companies - those who are innovators, showing consistent improvements in market share, profitability and stakeholder concern (Bonn, 2001), with the same exceeding comparison companies in variables as publicity, philanthropy, lobbying activity and public information.

5. Interrelation between internal and external communication

Now, when the distinctions between internal and external communication have been explained in sections 4.1 and 4.2, it is important to understand how successful communication can be ensured within the organization.

Johnson and Spang (2000) offer three different explanations of the dynamic interrelationships between internal and external innovation-related communication. Prior
literature has been stating that innovation-related communication is emphasizing constraints posed by a person’s formal position. Despite this fact, it has been recently advised that new designs provide opportunities for individuals to structure their own innovation related communication patterns.

Christensen (2001) argues that internal and external communication no longer exist as separate fields, as they have been superseded by the notion of fuzzy organizational boundaries. But, they use the term 'external organizational communication' for clarity and then go on to define it as public relations, marketing and issues management.

This framework contrasts explanations from formally prescribed (functional specialization) and emergent theoretical positions (communication stars) (Johnson, Chang, 2000). In functional specialization model, depending on formal functional positions, individuals are advised to focus on either internal or external communication. Communication stars model suggests, that individuals are exposed to the same stage of communication in both internal and external communication networks. Thus, the third model suggests a cyclical explanation, where depending on organizational requirements, individuals rotate their internal and external communication in a dynamic pattern (Johnson, Chang, 2000).

To help organizations to adapt to their environments, a number of formal structures and functional roles are created explicitly to deal with them (Galbraith, 1974). Boundary spanners are responsible for making a communication contact with external information sources and providing their colleagues with information concerning the outside environment. Those are people, who are mostly focused on information exchange and relationship building in order to create shared meaning and trust across 'boundaries' (Kiesler, Hinds, 1995). Boundary spanners are important for ideas diffusion between and within the organization. A boundary spanning literature has adopted a two-step communication process with the intention that information is passing through boundary spanners, who act as opinion leaders in their organizations. Following from functional specialization model, individuals will concentrate on either internal or external communication patterns over time (Johnson, Chang, 2000).

Communication stars model states, that two distinctive external and internal communication roles can be played by the same person. Here research has been focused on boundary spanners who are communicating both internally and externally (Johnson, Chang, 2000). Management research by Tushman (1981) recognizes boundary spanning activities from inside and outside organization. Sometimes, middle management requires individuals to be both internal and external stars, what establishes individual influence (Rangachari, 2009). Based on prior discussions, Johnson and Chang (2000) suggest that boundary spanners are focusing on both internal and external activities simultaneously. In addition, relevant information from external contacts is being filtered and fed back into organization.

Lastly, cyclical model accounts for the interrelationships between internal and external
communication patterns. Model advises that, for instance in case of role conflict, boundary spanners may focus just on one network, consequently internal or external. As the R&D literature suggests, importing external ideas might result in considerable internal communication, generating internal innovations, which, in turn, are then exported to other organizations through external communications (Johnson, Chang, 2000).

6. Definition for reference within the thesis

In the previous sections of the thesis, various definitions within the branding and communication were presented. As the area of interest lies within the communication, corporate communication will be of the utmost importance. Even though, the more narrow definitions of external and internal communication will be used in this thesis:

*External communication focuses on audiences outside the organization as consumers, investors, regulatory bodies etc. Examples of tactics by external communication include factsheets, press kits, newsletters, magazines, brochures, news releases and annual reports.*

*Internal communication is the communication that exists within a company, between and among employees. It can take many forms, such as face-to-face casual conversations, formal meetings, phone calls, emails, memorandums, and internal wikis. Communication within an organization is key to success. An organization’s adaptability to external changes relies on efficient communication internally.*

7. Why is corporate communication important?

"Communication tends to be one of the least favorable aspects in of an organization's performance in employee surveys" (Healthcare Executive, p.59). Edwards (2009) have pointed out the importance of external communication, that it drives and attempts to increase recruits' and customers awareness of the organization and reputation. And in the same time, internal communication is a major concern for inside organizations, as if poorly performed, may lead to the workplace inefficiency (Welch, Jackson, 2007).

Corporate communication is the one that deals with organizational publics and stakeholders. It involves very important functions for success in organizations, as it comprises many fields and areas.

Van Riel's (1995) integrated corporate communication model, Figure 4, illustrates corporate communication in organization. Van Riel defines corporate communication as following: "An instrument of management by means of which all consciously used forms of internal and external communication are harmonized as effectively and efficiently as possible, so as to create a favorable basis for relationships with groups upon which the
company is dependent" (Van Riel 1995, p.26).

Organizational communication focuses on the context of organizations and their communication processes. Organizational communication can be seen as both 'a way to describe and explain organizations' and an approach to 'communication as a phenomenon' in them (Jones, 2006). Scholars are arguing that all communication is part of an integrated whole. Thus Welch and Jackson (2007) see corporate communication as an instrument of management.

The core task of corporate communication practitioners is building, maintaining and protecting the company's reputation (Cornelissen, 2010). In companies where role of corporate communication is not understood, communication practitioners feel undervalued, their decision-making processes are compromised and senior managers feel powerless, as they do not understand the company's environment and how these events can affect company's operations and profits. Understanding an effective functioning of corporate communication is very essential and empowering for organization. This understanding allows managers and practitioners to lead the events of corporate communication and to identity opportunities for communication engagement with stakeholders in a company. There are varieties of concepts related to corporate communication. Some of them mentioned by Cornelissen (2010) are mission, vision, corporate objectives and goals, strategies, corporate image and identity, corporate reputation, stakeholder, public, market, issue, communication and integration. Some concepts may be changed depending on organization. Managers in most corporate organizations have realized, that the most effective way of organizing communication is
by integrating disciplines and activities like media relations, issues management advertising and direct marketing.

8. Methods and data

In this thesis a real-life case study of the Bank Citadele is used. Case studies are often accorded with a central role in research. Crane (1998) gives a good reason for application of a case study on the grounds of its complexity and exploratory nature. But, despite Crane’s opinion, in communication research central role to case studies have not been offered too often, as the preference of researchers has been quantitative studies.

Notwithstanding this fact case studies are widely used in communications. And methods that are used by researchers to help them understand the world in communications is different ways of getting know the world (Bryman, 2001).
Talmage (1998) writes about inflexibility and frustrations regarding the quantitative research, where questions are pre-determined and require 'tick the box' response. Also, quantitative surveys leave no space for informants to fully express their opinion. This is why in communication researchers rather prefer qualitative than quantitative research. Qualitative research also enables to ask more open-ended questions, such as what is important to individuals (Daymon, Holloway, 2002)

"Qualitative methods tend to be associated with the interpretive worldview. This concerns exploring the way people "make sense of their social worlds and how they express these understandings through language, sound, imaginary, personal style and social rituals" (Deacon et al.,1999:6 from Daymon, Holloway, 2002). Researchers who are conforming to this point are interested in studying people's intentions, motivations and subjective experiences. Besides, qualitative methods allow to get closer to the people they are studying (Daymon, Holloway, 2002).

8.1 The case study

The study in the thesis is an exploratory study of the internal and external communication processes in the Bank Citadele in Latvia. The study will be concentrating on one case, but will consist of several different parts to gain deeper knowledge about the current situation in the bank. At the same time, case study opens more opportunities to look at the real processes happening in a company.

When doing a case study, it is important to assess the problem and to understand it. The problem that bank "Citadele" is facing concerns with their new corporate communication department that has been established only in February 2012. Before that
Marketing department was taking care of internal and external communication. This is why the company is considering whether incentives of corporate communication department has been successful, and how have the branch managers been delivering this information to their employees.

For this reason this study aims to discover in practice how brunch managers can evaluate the work of the corporate communication department, and whether internal and external communications have in any way influenced employees positively. From this very specific case study it will be possible to derive some trends and recommendations for Bank Citadele specifically.

According to Daymon and Holloway (2002), case studies are different from other qualitative approaches with their specific, in-depth focus on the case. "A case study is an intensive examination, using multiple sources of evidence (which may be qualitative, quantitative or both) of a single entity, which is bounded by time and place. Usually it is associated with a location. The 'case' may be an organization, a set of people such as social or work group, a community, an event, a process, an issue or a campaign" (Daymon, Holloway, 2002., p.105).

Crowther (2002) is identifying case studies as a problem based learning (PBL). Daymon and Halloway (2002) are proposing following step when making a case study: to undertake a detailed analysis of a case and situation, to understand point of view of people working there, to outline the influences and aspects of communication relationships, to determine how these factors relate to each other. The advantage of case study is that they allow collecting rich and detailed information across the case. That's why a good case study highlights factors in particular setting, representing it's uniqueness.

Case studies are very useful in education, as they can be used as a teaching tool for stimulating discussion and debates. When the term case studies apply, it is characterized as deep, narrow exploration and focus on real-life context events, detailed and descriptive, exploring relationships and connections, theory building and events of past and present (Daymon, Holloway, 2002).

8.2 Interviews

It was decided to make qualitative interviews as the primary research method. As insight in work of corporate communication department was already given from administration, there was still necessary to ask the questions to get answers to different external and internal branding questions, which will be done by interviewing three different branch managers.
According to Daymon and Holloway (2002), interviews are useful form in communication studies, because they allow exploring the perspectives and perceptions of stakeholders and publics. In the best way, interviews should be conducted in a collaborative fashion, that interviewees become able to express their opinion on topics that is of interest to them. The key feature of the interviews is that they allow researcher to understand the point of view of interviewee. From researcher's perspective, if something interesting and novel appears, he has a freedom to prompt for more information, not sticking to the pre-planning. From the perspective of the interviewee, he has more control over the interview and can accent things what they prefer most. So, the responses of interviewees can be slow and thought through or spontaneous and honest. Here the task of interviewer is not to proceed too fast with all the questions, but also follow up and clarify the meanings of the words or phrases, which are not understood for interviewee.

Daymon and Holloway (2002) indicate that another benefit of interviews is that the responses are the subjective views and the researcher’s is fully based evidence on participants interpretations of his own experiences and is expressed in their own words.

There are different types of interviews. Daymon and Holloway (2002) identify the one-to-one (also called face-to-face) interview being the most common. It is also the best solution for student theses, where several meetings with individual participants are being organized. Focus groups are also form of an interview, which is widely used in qualitative research. The concept of focus group interview is that a group of people of the same professional specialization is interviewed. Less common method is narrative 'participant' inquiry, where they are analyzed. The aim of it is to make participants talk in length about some story or experience (Daymon and Holloway, 2002).

Interviews can be formal and pre-planned or informal. The aim of all kinds of interviews is to elicit information by searching in the past and present experiences of the participants in order to discover their feelings, perceptions and thoughts. Usually in the interview process the responses to initial questions determine how the interview will further develop. Then the interviewer continues with the same questions along the same lines. Daymon and Holloway (2002) disclose that interviews can be structured or unstructured or, semi-structured. Qualitative research is usually engaging in unstructured and semi-structured interviews, as they are more flexible compared to structured ones. Semi-structured interviews are commonly used in qualitative research. There is made an interview guide with a focus on the issue or topic to be covered. Sequence of questions is not the same for each participant, and it depends on the interview process and responses of the individual participant. Here it is necessary to focus on the goals of corporate communication, and, depending on the participants' answers, move on to more narrow questions. Interviewer has to ensure that all the areas of interest are covered in the interview. For this purpose the interview guide is prepared before the interview (Daymon and Holloway, 2002)
8.2.1 Sampling

According to Daymon and Holloway (2002), sampling for case study occurs on two different levels - case on its own and participants. "Sampling for case studies is purposeful. You should always provide a rationale for your sampling strategy" (Daymon, Holloway, 2002. p.109). Most commonly case studies are selected based on the ground of convenience and accessibility to explore a research topic. According to Cassel, Symon (2004) it is logical that case has an intrinsic value, which becomes logical for selection.

From the other side, case background may be less interesting comparing to research. The search for the appropriate case has to be driven more by determination to find a context that illustrated some processes that fall in the area of interest rather than driven by accessibility or interest. This is why Cassel and Symon (2004) suggest that final selection of a case study has to be based on following possibilities - particular environment to be explored, the elements or processes you want to focus on and how it is possible to generalize the study further.

As identified in the previous section, the company has shown interest in examination of branch managers' opinions towards corporate communication. This choice was made following, as the branch managers are the ones in their branches who are carrying the role of motivators and informants. Their employees also perceive them as communication managers. It can be summarized that the internal success of the branch is dependent on the motivation and engagements of the branch manager, who is often as a mediator between management of the company, and his/her employees.

It was decided that the study should include priori decided strata of the population. The priori definitions of the strata of population were following:

- One interviewee must represent the strata of heads of branches that was employed before the restructuration of a bank
- One interviewee must represent the strata of heads of branches that has been employed from the time of establishment of bank Citadele
- One interviewee must represent the strata of heads of a branches that are employed for less than two years in the bank Citadele

The corporate communication department managers chose all three interviewees randomly. This is the case where only one representative of each stratum was chosen, as the limited resources can determine when to stop the sampling. The limited time of qualitative research is the main resource that has to be taking into consideration. This is why three strata were chosen for the analysis, as all of them have to be transcribed and analyzed.
8.2.2 Interview guide

Interview guide serves the purpose to ensure that similar responses are being collected from all participants. It also allows developing questions prior to interviewing, and then deciding with issue to follow. As suggested by Daymon, Holloway (2002) the interview guide should focus on the particular aspects of the subject area, but here interviewer has to have control over the interview in order to ensure that in the end research topic is being explored and the purpose of study is achieved.

There was developed an interview guide for the interviews. According to Purves (2005), following questions should be asked to branch managers, so they have an opportunity to come up with creative answers:

- What do you think is a good way to accomplish this goal?
- What options do you see here?

After reformulating questions to adjust to the brunch managers they became:

- What role, on your opinion, does internal and external communication have in employer branding? Why is it so important?
- How successful have corporate communication department’s engagements have been in your branch? What expectations do you have for future?

It was decided to use stimuli in these face-to-face qualitative interviews. It has been chosen that stimuli in the interview will be the same, as the topic for meeting with brunch managers 'Corporate communication incentives', just by adding 'in your brunch'. Also figure 2, in the section 3.3 was used as stimuli. The only change is the model has been adjusted to communication, while it originally depicts the employee branding process. These stimuli was chosen for reason to be easier compare the studied perceptions of communication in the organization, and to compare them to the general content of the interview.

8.2.3. The technical aspect of interviewing

It was decided to record interviews with a dictaphone for the convenience of the managers. The place of the interviews was not previously known, except just the address of the particular branch, where interview is going to be conducted, so there was no possibility that the place of the pre-assigned interview could change to the corridor, where there would be all the external sounds lowering the quality of the interview.
8.3 Analysis of data

Data obtained from the interviews was transcribed and then analyzed according to the Miles and Mangold (2004); Horrigan (2010) models. Here Figure 3 in Section 4 is used as a conceptualized model for corporate communication flow, what later is going to be supplemented with conceptualized model for employer branding by adjusting it to corporate communication in the branch, as depicted in Figure 5. This is because there are not so many models concentrating just on corporate communication, and it was needed to build up own model that could involve also some explanatory information for the purpose of this interview.

Very often interviews are analyzed based on codes. The idea of coding lies in identifying and comparison of the commonalities and differences in the material (in this case interviews) with the aim of formulating categories of interest. Coding is very helpful when narrowing down the data, but it also can be not appropriate from when the data that is encoded and uncategorized. And sometimes, useful information is ignored, just because it does not fit with the coding (Daymon, Holloway, 2002). This is why coding was not part of the research analysis.

![Diagram](image)

Figure 5: Inspired by Miles & Mangold (2004); Horrigan (2010).

The reason why these particular models by Miles & Mangold (2004); Horrigan (2010). were applied is because they are concerned with different aspects of corporate communication. The corporate brand communication flow model provides the view of the communication flow among three important sides of the company- organization, employees and customers. The second model in Figure 2, section 3.3 is more specific allowing for a communication flow in the particular brunch to be inspected. In the end there will be made an assessment of importance of the stimuli in the interviews.
8.4 Limitations of the study

Before continuing to the results, it is important to set out the limitations of the research.

8.4.1 Criteria of qualitative research

Researchers have been making a reference of reliability and validity to demonstrate the quality of the studies. Maxwell (2004) is the one applying reliability and validity benchmarks to qualitative research. He insist that these methods are the ones that offer the most effective means of evaluating the quality of research. And in qualitative research reliability and validity are measurements of subjectivity.

In qualitative research, the main research instruments according to Daymon and Holloway (2002) is researcher on its own, and if someone ever is going to repeat the same study, they are very unlikely to achieve the same results, even in similar circumstances and conditions. In qualitative research the concept of validity is more salient than of reliability. It is not the same as in quantitative research, where it is exploring whether the methods, approaches and techniques are relating or measuring issues explored.

8.4.2 Limitations of methodology applied in the study

From the previous sections it can be reflected that there was used a strata of population for sampling. This was chosen with the aim to ensure the variety of opinions regarding the internal and external communication. This sample was suggested as an optimum (Dymon, Holloway, 2002) for conducting student interviews because of the limited time constraints and resources.

There was used a face-to-face interview, which started more broad by later getting more narrow and specific. This is acceptable, and it will still remain the same type of interview. Interviews were conducted in Latvian for the convenience of the interviewees, with the following transcription in Latvian. Both interviewer and interviewees were Latvian, what limited the possible errors arising from cultural differences.

9. Results and findings

As stated in the above section 8.3, interviews were analyzed independently first. Each interview was analyzed in separate section, later identifying similarities and differences between them.
9.1 Brunch manager employed from the day of establishment

The first brunch manager identified that the aim of internal communication is to establish better communication and to improve interaction among structural units in the bank, and the external communication is aimed at improving the overall image of the bank. Thus, interviewee was in doubt about the complete understanding and mission of employer branding. She admitted that she feels like an important stage between management of bank (in this case corporate communication department) and her employees.

Regarding external communication activities, branch manager identified that they are taking part in different contests, marathons, and other activities. But, within internal communication, there were problems such, that bank has a shifted schedule, and it is very hard to collect all the employees in one place and time (this was mentioned as a specific aspect of the bank placed in a shopping center). Frequently there was a need for organization of meetings with employees, where the main subjects discussed were concerned with the bank’s growth.

When moving towards the perceptions it was admitted that informal meetings are the ones from which the most benefit can be derived from. But in the formal meetings employees are not always as active, as they perceive them more like - 'I have to be here and listen to it'. She admitted organizing short meetings every morning 5 minutes before work or before weekend. Important meetings were usually organized once in a month.

When talking about the corporate communication activities, she admitted that they have been successful. For instance corporate communication department has been engaging themselves into an event in co-operation with Paralympics in the shopping center. She admitted that in general corporate communication department was engaging branches in different activities. She had a previous working experience in other bank, and, when comparing, she told that the cooperation between departments in Bank Citadele is very strong and helpful, and that the information is always handed to the right person, and employees can always come and ask for something being sure that they will be heard. She admitted that there is always place for improvement and suggested to involve branch employees in all the communication process, as they really are not so involved in the internal and external communication at the moment. This role is delegated now to the branch manager, who should transfer all the information received further to the employees.

Interviewee revealed that due to the corporate communication incentives, activity and motivation of employees had risen, there was good feedback from customers, the reputation of the bank had improved and employees were becoming more loyal. She
admitted it is very important to be opened as a leader and help employees, which also improves the microclimate in the brunch. Also small talks are very useful, so employees can express their opinion with regards to something, and it lowers the possibility of some collected anger, which will spill out at some on one point.

Interviewee acknowledged that the mood of the manager is very important as it influences employees really much, and if, for instance, there are some employees who do not want to be involved in some competition, good mood and excitement of the leader is one of the most important keys to success in this field, and the other employees are getting motivated (excited with the idea). Interviewee noted that the specific of Latvian culture is that all the changes are perceived negatively first, but in her team all the employees are experienced and professional, and are willing to engage in new things.

She admitted that the most effective internal communication affair is informal or formal training. The external communication affairs are sport games. As the most common reason for conflict among customers and employees she pointed out to be the break of communication at some point of the time - simple miscommunication. Bank has introduced a customer feedback box, where everyone willing to express his/her opinion can freely do it.

The main consequences of successful employee branding are satisfied customers, it is easier for employees to achieve the overall result, they feel better, more satisfied, it is easier for them to provide customers with necessary information, and it leads to the raising quality of work, and motivation also rises.

9.2 Branch manager employed less than two years ago

When moving to the next brunch manager employed before the establishment of the bank, this manager could make a clear distinction between internal and external communication. It was identified that internal communication is created for the purpose of informing employees about the vision, achievements, and goals of a bank. Interviewee also identified that external communication is the popularization of the bank's value to the clients in order to gain positive image in the media and social networks. By selling its products the bank is advertising itself, and it helps to attract more customers.

Interviewee representing the second strata was completely sure that successful corporate communication could contribute to more satisfied employees by increasing their feeling of prestige. Interviewee also admitted that nowadays it is very important for banks to be socially responsible. As an example, he used some adds from social networks
and/or advertisements on TV. This is very common that a bank is sponsoring something and helps developing something

Moving to the corporate communication perceptions, interviewee was happy admitting that bank is organizing many events for employees and leaders together. For example there had been help to the children’s hospital when buying a blood pressure device, events for children, a marathon and a street celebration. He suggests having more events, as they are the ones that gathering a lot of positive energy. Also Paralympic games - customers are asking many questions about that.

From the interviewees' perspective, activities of the corporate communication department have not been left unnoticed, and their work has improved significantly. In the Intra (employee communication and information platform) there is an opportunity to see the videos and to learn to know each other. And the communication has become more structured among the departments.

Lastly, interviewee admitted that with time, activities of internal and external communication have changed the activity of employees and they are more actively participating in daily discussions. Interviewee has identified four types of employees - ones who are happy about everything, others who are criticizing, ones who do not like anything and the ones who do not have any opinion. Brunch manager admitted that since the establishment of corporate communication department workers finally understand the engagements of it and they are given possibility to get know them more detailed. When people know more about the corporate communication, they can position it in their minds, and it also helps them to do the work in a more qualitative way.

Interviewee also revealed that employees are becoming more familiar with the events being sponsored from the side of external communication. Branch manager also admitted that the motivation is rising if an employee sees that someone has been promoted in the bank, this fact gives him/her stimuli to work harder towards the achievement of his/hers goals.

Interviewee was very open about the bank’s engagements. As an example he was identifying Paralympic games, for which one of the sponsors was Bank Citadele. From his point of view, it shows that bank is 100% focused on its clients and is socially responsible, which also increases their loyalty. Bank is mostly sponsoring branches of sport, at the same paying attention to the society's at the most important, but sensitive issues.

All the events are optional, and the ones who want to participate will always do. And the ones who do not want to take part the brunch manager is asking at least to support by cheering up - automatically they become a participant.
Branch manager admitted that it is of an enormous importance to have meetings in the brunch - 5 minutes before every day, and once a month. Besides that he claimed that the atmosphere in their brunch is very friendly, and it is very important to be supportive understanding each other, as the job in the bank is very responsible, requiring 100% attention and mistake can cost very much. Sometimes it is important that when feeling bad, employee is offered support from manager and fellow employees and he/she can do other less responsible job or just go home.

In order to increase the success of communication, interviewee suggested that there should be more informal events, because bank is a formal place. But at the same time he draw attention that bank is working with customers' money, and its very sensitive information, so the events cannot be organized at the working place during the working hours, as it would be a direct signal for the clients that bank is not focused on it’s work. There should be trust from the client's side that his information will not be available on the Internet or discussed at the coffee. Interviewee suggested that, regarding external communication, there should be provided more support to target groups. Because media is mostly focusing on the negative news and the reaction of the society can be seen on the events by people participating and expressing their support to them. He admitted that not always management sees that clients first turn to to the brunch employees, who are also serving as main information disseminators. By his opinion, this is the most useful way to make positive advertisements.

9.3 Branch manager employed before restructuring of the bank

Last strata representing branch manager was employed before restructuring of the bank. As the working experience of the interviewee in the bank field was quite significant (7 years in total), she was able to compare Bank Citadele with other banks she previously has worked in. She pointed out that the activities of corporate communication are extremely important and that it serves mostly as informative source for employees. She immediately could remember times when there was no information at all - it concerned all kinds of information about the goals, achievements of the company, and there was no clear line where to turn and what to do, and it was very hard to communicate something to the employees. But now, during the last year she had noticed that there sometimes was even too much information. She admitted that especially during the last half a year the brunch managers had been the ones receiving information first, media coming just after that.

Also, according to the interviewee, corporate communication incentives improve internal climate in the brunch, as the information is widely available for all. Intranet (employee communication platform) has become very popular in the last half a year,
meetings were organized separately in the brunch, but there had been no meetings in the context of the whole bank. Interviewee also claimed that, through the Intranet the most effective communication tool between the management and employees can be achieved

Within the last half a year, brunch employees have been involved in the majority of the bank’s processes. The interviewee evaluates that the level of the corporate communication department is very high.

From the perspective of employees it can be seen that they have become more involved and active during events; big celebrations are being perceived as very interesting and employees are waiting for them - such as, for example, New Year, Christmas, Easter. All the employees are very active and participate and driven by their best intentions. All the activities listed above, according to the interviewee, are the ones developing corporate culture step by step.

When it comes to corporate events, brunch manager expressed several difficulties, as sometimes there are employees who just refuse to participate. There is always an active part of the employees, always wanting to participate. But if something is being organized, it is not a mandatory event, as most often it will be organized after work, and that’s why leaders (branch managers) have no rights to force a person to attend meetings or events. She notes that she cannot influence those employees, who do not want to participate, but she can inspire and motivate, and some other plans of employees should be respected.

Next, interviewee mentioned the most effective tools in employee motivation. By her opinion, the most motivational is some honor award, or the reflection of the employee’s results on Intranet, giving them pride and motivation. She also admitted that it would be interesting to introduce the best employee award among all branches. She remembered times before restructuring when in Bank Parex there was internal newspaper containing information about the important things in the bank, and this, according to her, was extremely motivating for the employees.

Interviewee remembered that last event organized together with entire brunch was a big cleanup, but it did not gain so big popularity among employees. Regarding the Paralympic games, there was an athlete participating in the Games, who was working in the branch. All branch employees actively encouraged by the manager went to the shooting range after the work. Employees admitted that it was very exciting, interesting and at the same time relaxing. The important thing that interviewee stressed was that the latter event was organized entirely by the brunch, which she was also very proud of.

Very big importance interviewee was devoting to the word "culture", which was repeating during the whole interview. According to the branch manager, corporate communication shapes the culture of organization. Employees understand the exact
culture of the workplace where they are in, and when employee is receiving an offer he/she has to bear in mind that the higher salary is maybe not the most important factor, maybe it is the culture comparison, and things that are attractive in this particular company, such as culture, are not seen from outside, but can be experienced just after having worked in the workplace. Culture is raising the loyalty of employees. As the results of the bank are it's daily priority, it is of an enormous importance to strive on day-to-day basis towards this goal, besides that not forgetting about the healthy microclimate at the working place.

9.4 Comparison

All interviewees have noted the positive influence of establishment of corporate communication department in their brunch. It can be seen from all three interviews that they are viewing the work of communication department as very good. Last interviewee, who is also the most experienced one, was also expressing some shortages in common events, when not all of the employees want to participate. She was also the one, who had a possibility to compare how it is after the establishing of corporate communication department, and how communication was managed before the restructuration. The main thing suggested by her was the need for an employee newspaper that had been effective before and had really boosted employee motivation and self-esteem. First interviewee was focusing mostly on the role of the leader as the main creator of microclimate in the brunch. Even though it was very hard to organize common events, as the branch was located in a shopping center, she attempted to find different time points for communication with all the employees, including both active and not so active. All the interviewees had the same opinion about the microclimate in the branch, admitting that employees are very friendly and always willing to listen and support each other. Both the first and second interviews were similar with their very positive and active attitude towards corporate communication activity, whereas third interview was more critically looking at their success. This is also because the last interviewee, had the most experience and had mentioned also positive things, which were applied before, and which would be good to apply today as well.

All the interviewees had mentioned the importance of external communication, but only the last interviewee had used the expression: for the sake of customers. As this is why banks are working - to satisfy the customers. None of the two others, manager employed for 2 years ago and the one employed after the establishment of the bank noted this. Besides that, all the interviewees admitted that they are like information disseminators between management and employees, and very often it is a time consuming process, and they would like the information to be more easily accessible and not so time consuming for the employees.
All the brunch managers have stressed the importance of corporate communication as a department in the company, admitting that the external and internal communication is of a crucial importance for everyday life in a so formal and responsible environment as a bank. This is why, from all three interviews it can be summarized that their views regarding the importance of corporate communication department were similar, whereas the solutions offered for improved communication were slightly different.

10. Solutions and implications

Recalling from section 1.1, the main aim of the thesis was to find out how can bank organize communication processes making them more effective. This was the main research question. And to make a more narrow focus, in the following two narrower problems were derived from the first problem: are internal and external communication processes complementing each other and how can corporate communication be investigated with respect to internal and external communication? And how are employees of organization affected by internal and external communication processes and how branch managers are valuing them?

The main aim of the thesis was to answer these questions based on the theory and also practical qualitative face-to-face interviews. As depicted in the paragraph 5 (Graph 3), corporate communication can be classified in three ways - between employees, organization and customers. This is also what the brunch managers were mainly focused on during their interviews. They emphasized the importance of successful work of corporate communication department that is handing the information to the brunch managers, who are afterwards informing employees, who are sending information further to the customers.

As noted by Barnes and Walker (2010), corporate communication today has become a critical driver of success due to turbulent business environment, increased globalization, appearance of social media platforms, heightened public observation and the threats to corporate reputations. This is a time when corporate communication managers are expected to do more with less resources - in less time, and fewer human and financial resources (Barnes, Walker 2010). As already mentioned in section 3.2 by Davies (2007), it is an important role of employer branding to promote employee satisfaction. The same results were also reflected in the interviews with branch managers. They identified that Corporate communication department has to pay more attention to the brunch employees, as sometimes they may feel excluded from all the processes and feeling that information is surpassing them. Listening to the employees and letting them to express their point of view would also
contribute to the higher activity in various events and contribute to the increased motivation.

Further, organizations have to ensure in delivering a fair Psychological contract to their employees, what was also touched upon in section 4.2. Employees have to be trusted and motivated accordingly as it has the primary influence on their job with clients. This is important in building workshops or learning seminars, where employees can feel on the same level as their managers and be the ones who can influence organization's work.

From other point of view, all the employees in company are focused towards delivering satisfaction to the organization's external customers (Rafiq and Ahmed, 2000), and this is where internal and external communication department have to work together to ensure in spreading information evenly across all the branches, which are working with customers.

For corporate communication department it is very necessary to find out what each group of customers and stakeholders expects and needs from the product or service. Based on the Employer branding department manager’s requirements, the case was problem based, where the main focus should be on the branch managers and their evaluation of the corporate communication stimulating processes. Based on the researchers' opinions and conclusions from the interviews, recommendations and actions for improving work of corporate communication department will be suggested.

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Action</th>
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<tbody>
<tr>
<td>• Assess the &quot;Voice of customer&quot; (Barnes, Walker, 2010)</td>
<td>Surveys and focus groups are of an enormous importance to determine the desired outcomes, which from the customers' perspective are critical to quality. They will be grateful for the opportunity to share their opinion and to contribute to their firm's success</td>
</tr>
<tr>
<td>• Team building (Barnes, Walker, 2010)</td>
<td>Various trainings with mixed groups are not just contributing to the better communication process inside the company, but also providing with an opportunity for critical feedback. One way of organizing the training would be analysis of the previous events, where employees would be able to pick the ideas and express their opinion. A good tool for playing different roles is a 6 hat system proposed</td>
</tr>
<tr>
<td>Action</td>
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<tr>
<td>Creation of internal newspaper</td>
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<tr>
<td>Determine the key measures for communication planning</td>
<td></td>
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<tr>
<td>Structure the information</td>
<td></td>
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<tr>
<td>Create a risk management assessment</td>
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- **Creation of internal newspaper**

  As noted from the interviews, branch managers would like employees to have their own newspaper. Intra's (employees communication platform) main purpose is to inform employees about the news, results and goals. But employees also need a more informal information source, where the interesting facts, photos and events could be published.

- **Determine the key measures for communication planning**

  Corporate communication department has to create the process map, where the inefficiencies will be listed and the goals for the improving them in future would be listed. It is important to identify two different target groups - internal and external, by focusing and approaching them separately (Barnes, Walker, 2010).

- **Structure the information**

  As identified in the previous recommendations, information is not always structured, when it reaches the brunch employees, as not all of the branch managers are able (because of the time constraints and information overload) to provide all employees with the same information. Corporate communication has to ensure that information has to be easily accessible for everyone in the company. And probably the best suggestion would be to separate the information targeted at the brunch employees and managers. It would contribute to easier information access in case of communication with clients.

- **Create a risk management assessment**

  Barnes and Walker (2010) suggest that risk management assessment means that Communication department prepares an assessment in case of what could go wrong...
To assure continuous improvement and how to react to that if it happens. The good way to implement this would be in the employee training, where they could be asked to deal with process failures that communication department is most probably to faced with. Examples can be resource constraints, technical breakdowns and internal/external resistance to change (Barnes, Walker, 2010.)

As the department is quite new, it requires very close supervision, beyond all the points listed above. As in the case of united airlines (Barnes, Walker, 2010), there were organized quarterly meetings, where senior leadership were visiting the department with the aim to review and explore it's development and further opportunities.

Some branches of the Bank Citadele has already started to work on implementing the first solution propose - customer feedback boxes in their branches, where everyone willing to express their opinion, can freely do that. This will give customers of the bank more feeling of belongingness and opportunity to evaluate and improve the services. These were identified as the major root causes for customer dissatisfaction:

- Absence of customer oriented metrics
- Various invisible factors
- Deficiency of work instructions
- Employees' lack of communication skills
  (The Blogal Six Sigma & Business improvement awards, 2008, p3)

Customer feedback boxes are aimed at eliminating these above identified factors.

In order to create a successful corporate communication program, company has to form their corporate communication strategy, understand existing stakeholders, are willing to communicate openly and effectively and have an effective feedback mechanism (Pandey and Garnett, 2006)

As seen from the interviews, banks' external communication department has been very active lately. The activities included campaign called "You are, you can" (translated from Latvian) where bank was organizing support campaign for Paralympic athletes. As
summer is time of lots of sports activities, Bank was sponsoring Riga marathon and all employees from the branches were taking part in it. Recently the children’s' drawing contest "That's how I go to bank" was organized. Children from kindergards’ were sending their drawings to the bank, which later formed a coloring book. This means, that bank is successfully promoting external communication activities. As identified by Sanders (1999), external communication activities are strongly present in winning companies. as companies are starting to develop, they are expressing more need for good communication. Also study conducted by Sanders (1999) identified that the external communication function contributes to the significance of the organization.

11. Discussion and recommendations

For more successful development of corporate communication, Lean six-sigma approach proposed by Barnes and Walker (2010) can be adapted. They propose that communication processes can be improved by adapting Lean six-sigma for creativity and excellence. They claim that Lean six-sigma adaption reduces mistakes, saving time and money for the organization. They propose five classic Lean Six Sigma steps, shortly called DMAIC:

- **Define** stakeholders and determine their needs
- **Measure** what is critical and necessary
- **Analyze** variables to find the problem roots
- **Improve** by learning and analyzing possible solutions
- **Control** to guarantee sustained improvement

(Walker, Barnes, 2010)

Basically, Bank Citadele has to ensure and continuously check the achievements of the corporate communication department. It is crucial already from very beginning to incorporate the purpose of the corporate communications in the minds of employees, which, would contribute to the long-term success in the field of communications. Six sigma approach gives opportunity to keep the work of department under control and be prepared for every clash occurring, whether it is financial crisis, lay-offs or restructuring.

To gain the full perspective of employee communication department perception, quarterly surveys can be adapted and sent to the branch employees for evaluation. There can be listed internal and external communication processes, which will be evaluated by the employees. As suggested by Saunders (1999), it can be useful for the company to use the information about other companies in the industry, by analyzing how they organize their external and internal communication activities, and, according to the results, apply the same activities in the Bank Citadele. And best practices can be learned from other
visionary companies in the industry, which are concerned with long term goals and not only profit (Saunders, 1999).

For further research it be a good advice to analyze the main benefits of internal communication from the employee perspective, and measure their improvements. It can be done within the following categories - productivity, absenteeism, quality of services and products, levels of innovation, number of strikes and costs. This is a good way to keep eye on the employee engagement and commitment, and spot the changes immediately (Pettit, Goris, Vaught, 1997).

Regarding external communication, it would be useful for company to analyze the correlation between organized events and customer activity and measure their attitudes, as not much literature is focusing on engagement of particularly external communication. Also from perspective of CEO's these activities are vital to the company's success (Saunders, 1999).

12. Conclusion

The aim of the thesis was to propose how the external and internal communication processes can be made more effective, as this was the suggestion coming from the head of Corporate communication department in the Bank Citadele. To evaluate the effectiveness and need for change of the internal and external communication departments, particular study was developed to illustrate how and what should be changed at the corporate communication department from the perspective of branch managers.

It was decided to use a qualitative study for the above stated aim. Three branch managers based on their length of working experience in Bank Citadele were chosen: less than two years, two years, and more than two years. There were conducted focused interviews with the following topic: External and internal communication department success in their brunch. Interviews were analyzed by the model suggested by Miles & Mangold (2004) and Horrigan (2010). The results of the interviews were compared to the proposals of the researchers and other real case study, from which the solutions were proposed.

The results of the study showed that branch managers evaluate the work by corporate communication department as very good. Besides, all the interviewees perceive Bank Citadele as being a very good place to work, primarily because the atmosphere is very friendly and they engaged in improving internal and external communication.
The interviewed managers claimed that corporate communication is of a crucial importance for the bank's success. However, the bank needs to improve and excel in corporate communication. As suggested by this thesis, the above stated goal can be achieved by using the Lean Six Sigma principle, suggested by Barnes, Walker (2010). This approach can help the bank to build a successful and indestructible reputation in the eyes of customers, and be regarded as a perfect workplace for the employees.

As the department of Corporate communication has been established relatively recently, it has not managed to develop a long-term plan for communication processes. Following Barnes ad Walker (2010), it is therefore suggested to develop a map of communication where the inefficiencies can be listed and goals for their future improvement better developed.

Moreover, It is of a critical necessity to integrate employees in all processes organized by the bank - the opinion widely supported in the interviews. Currently, bank's employees sometimes feel that they are not asked of their opinion, and they would be willing to express it. Following Barnes and Walker (2010), the thesis therefore suggests introducing teambuilding sessions, which can contribute to a better communication processes inside the company. Additionally, as suggested by interviewees, the bank can re-introduce the internal newspaper. The newspaper can contribute to the increased motivation among employees and the feeling of being more involved in the company.

In order to improve the internal and external communication processes in the bank, the opinions of interested sides should be asked more frequently. The bank could e.g. assess its "Voice of customer" (Barnes and Walker, 2010) by organizing satisfaction surveys and interviews. In the surveys, it can out forward questions whether the events and experiences have been successful, and ask for recommendations of how communication can be improved. For employees it is recommended to run satisfaction surveys on a quarterly basis. That will allow the employees to freely express their point of view regarding possible inefficiencies, propose solutions and specify their overall expectations regarding the work of the corporate communication department.

The area of corporate communication efficiency is very narrowly touched in the scientific literature, and therefore it is an important area for further research. From the previously described it can be concluded that internal and external communication is a very important part of the employer branding process and of a crucial importance in the organization, which strives to have the best employees and the most satisfied customers.
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APPENDIX 1

ANALYSIS OF INTERVIEW WITH BRANCH MANAGER EMPLOYED FROM THE DAY OF ESTABLISHMENT

Model adapted from Miles & Mangold (2004), Horrigan (2010)
APPENDIX 2

ANALYSIS OF INTERVIEW WITH BRANCH MANAGER EMPLOYED LESS THAN TWO YEARS AGO

Model adapted from Miles & Mangold (2004), Horrigan (2010)
APPENDIX 3

BRANCH MANAGER EMPLOYED BEFORE RESTRUCTURING OF THE BANK

Model adapted from Miles & Mangold (2004), Horrigan (2010)