### **Original Article**

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# The Antecedent Role of Leadership Styles on IMC and Business Performance: Empirical Evidence from Japanese Firms

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**Objectives:** In today's competitive business environment, understanding the role of leadership in marketing is critical. This paper examines how managers' leadership styles influence integrated marketing communication (IMC) activities and their impact on business performance. It aims to identify how different leadership styles affect the effectiveness of IMC and to explore the mechanisms through which IMC drives financial and operational success.

**Methods:** Data for this study were collected through an online survey conducted by Rakuten Insight from February 15 to 18, 2022. We empirically analyzed the effects of managerial leadership and IMC activities on business performance using the PLS model, targeting marketing managers responsible for IMC at companies listed in the 1st Section of the Tokyo Stock Exchange. A two-stage approach was used for direct path and mediation effect analysis with high-dimensional latent variables.

**Results:** The analysis revealed that both transactional and transformational leadership styles of managers were statistically significant in relation to IMC activities. Furthermore, IMC activities were found to be statistically significant for campaign effectiveness (CE) and brand market performance (BMP). However, IMC and CE did not directly influence financial performance (FP). Instead, they significantly influenced FP through BMP.

**Conclusions:** In light of these findings, we discuss the theoretical and practical implications, limitations of the study, and potential avenues for future research. This study underscores the importance of leadership in shaping effective marketing strategies and highlights the indirect pathways through which IMC activities contribute to financial success. Effective leadership is critical for leveraging IMC activities to improve overall Business performance.

Key Words: Leadership Styles, Integrated Marketing Communication (IMC), Business Performance, Transactional Leadership, Transformational Leadership

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### Introduction

It has been a quarter century since the concept of integrated marketing communication (IMC) first emerged, and over two decades since the inaugural IMC special issue was published in the *Journal of Business Research* (Bearden & Madden, 1996). Despite a substantial accumulation of theoretical knowledge and perspectives in this field (Muñoz-Leiva, Porcu, & del Bar-

rio-García, 2015), the scarcity of empirical evidence on IMC continues to pose a challenge (Schultz, Kim, & Kang, 2014). The concept of IMC has evolved from a 'tactical integration approach,' aiming to achieve coherence among various communication activities, to a more comprehensive 'organization-wide approach' that emphasizes message consistency, interactivity, a stakeholder-centered strategic focus, and organizational alignment (Luxton, Reid, & Mavondo, 2017; Porcu, del Barrio-García, & Kitchen, 2017b).

However, most empirical studies have primarily focused on tactical integration (e.g., Lee & Park, 2007), constraining their capacity to elucidate the theoretical framework of IMC. To address this, Tafesse and Kitchen (2017) and Porcu et al. (2017b) underscored the necessity for additional empirical research on IMC from a company-wide standpoint. Other scholars have also highlighted the scarcity of empirical evidence regarding how integration functions within organizations, which factors promote or impede the implementation of IMC in organizations, and which organizational processes maximize the effectiveness of IMC (e.g., Luxton, Reid, & Mavondo, 2015; Moriarty & Schultz, 2012; Mulhern, 2009; Porcu et al., 2017b; Zahay, Peltier, Krishen, & Schultz, 2014).

The literature highlights the importance of organizational structure, culture, and leadership style in the implementation and management of IMC and calls for further research (e.g., Christensen, Firat, & Torp, 2008; Duncan & Moriarty, 1998; Eagle & Kitchen, 2000; Ots & Nyilasy, 2015; Reid, 2005; Schultz et al., 2014). However, there is a lack of studies examining the impact of these factors on IMC management. Recently, Porcu, del Barrio-García, Alcántara-Pilar, & Crespo-Almendros (2017a), Porcu, del Barrio-García, Kitchen, & Tourky (2020) examined organizational culture as an antecedent of IMC implementation and found that an adhocracy culture has a positive impact on IMC and that clan culture has a greater impact on IMC practices than hierarchy culture. These studies provide empirical evidence for issues that have previously been discussed theoretically.

Although the role of supervisory leadership in IMC implementation has garnered significant attention from researchers, there is a scarcity of studies on the relationship between the two variables. This study aims to determine the causal relationship between firm-wide IMC management activities and Bass' (1985) representative leadership styles-transformational versus transactional leadership. It reviews the existing literature on IMC, its components, and leadership styles, and then assesses the impact of these leadership styles on IMC implementation. It also examines both the direct and indirect effects of IMC on business performance, including campaign effectiveness (CE), branding, and financial outcomes. Finally, the study explores the mediating role of IMC between leadership style and business performance, discusses theoretical and practical implications, and proposes directions for future research.

# **Theoretical Framework**

### Firm-wide IMC Approach

The IMC concept has evolved from a marketing communication tool to a comprehensive corporate strategy. Initially focusing on integrating various marketing communication levels, Duncan and Moriarty (1998) expanded IMC to the corporate level, highlighting the need for cross-functional planning and collaboration. Effective IMC implementation requires systematic organizational support to minimize interdepartmental barriers and enhance feasibility.

IMC implementation involves integrated communication management, which is often hindered by interdepartmental conflicts (organizational silo effect). Since the inception of IMC, academic and practical discussions have emphasized the need for organizational-level research to identify factors affecting IMC, such as organizational culture, structure, and leadership (Porcu et al., 2017a; Schultz et al., 2014). Porcu et al. (2017b) recently developed a firm-wide IMC scale to comprehensively measure IMC. Recent studies have focused on the link between organizational culture and IMC, defining IMC from a comprehensive organizational and firm perspective as follows (Porcu et al., 2017b, p. 694):

"IMC is the stakeholder-centered interactive process of cross-functional planning and alignment of organizational, analytical, and communication processes that allows for the possibility of continuous dialogue by conveying consistent and transparent messages via all media to foster long-term profitable relationships that create value."

IMC considers all stakeholders and aims to build positive relationships through continuous engagement, fostering brand loyalty, with four dimensions: message consistency (MC), which involves coordinating media to deliver consistent messages and build strong customer-brand relationships (Porcu et al., 2017b); interactivity (IN), which facilitates two-way communication between organizations and stakeholders, leveraging mobile internet for engagement (Duncan & Moriarty, 1998; Porcu et al., 2017b); stakeholder-centered strategic focus (SCSF), which ensures that organizational members prioritize stakeholder value and develop long-term relationships (Porcu et al., 2017b); and organizational alignment (OA), which achieves internal integration to overcome barriers, with success influenced by leadership and organizational commitment (Kliatchko & Schultz, 2014; Melewar, Foroudi, Gupta, Kitchen, & Foroudi, 2017). Effective communication management requires prioritizing these elements based on the needs of each brand. Building on the firm-wide IMC model developed by Porcu et al. (2017b), this study aims to identify the causal relationship between managers' leadership styles and firm-wide IMC.

### **Leadership Styles**

The most frequently cited leadership styles in leadership research are transactional leadership (TAL), which seeks stability, and transformational leadership (TFL), which seeks change. These concepts were first proposed by Burns (1978) and later refined by Bass (1985), who applied them to business organizations. TAL involves the use of rewards or punishments to elicit desired behavior from subordinates (Bass & Avolio, 1990). TAL is characterized by an exchange relationship in which both the leader and members primarily serve their own interests, involving contingent rewards (CR) and management-by-exception (Bass, 1985).

CR involve positive reinforcement for achieving specific levels of performance, whereas management by exception (MBE) involves corrective action only when performance problems occur. MBE can be active, with proactive monitoring, or passive, with action taken only after problems occur (Bass, 1990). Peters and Waterman (1982) found that effective leaders used CR more frequently than MBE.

TFL has emerged as an alternative to address the limitations of traditional TAL. Burns (1978) described TFL as occurring when "one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality" (p. 20). Bass (1985) further refined and expanded upon Burns' leadership theory, stating that a leader is "one who motivates us to do more than we originally expected to do" (p. 20). He explained that this motivation can be achieved by raising awareness of the importance of results and the methods to attain them.

Burns (1978) initially proposed three subcomponents of TFL: charisma, intellectual stimulation, and individualized consideration. However, Bass and Avolio (1995) later revised and expanded this framework by replacing charisma with idealized influence and adding inspirational motivation, resulting in four components: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Bass and Avolio (1995) described idealized influence as leaders establishing a clear vision and instilling pride and belief in subordinates (Bass & Avolio, 1990); inspirational motivation as leaders setting challenging goals and presenting a clear vision to inspire subordinates (Bass & Avolio, 1995); intellectual stimulation as leaders encouraging innovative thinking and exploring new approaches (Bass, 1985); and individualized consideration as leaders acknowledging the unique needs of team members, offering personalized guidance and promoting growth (Bass & Avolio, 1995).

The need for TFL has grown due to increasing business instability and the significance of change (Bass & Avolio, 1997). TFL is seen as essential for navigating a rapidly evolving business landscape (Bass, 1985). Empirical studies show that TFL enhances TAL, leading to improved organizational performance (e.g., Bass & Avolio, 1990; Bycio, Hackett, & Allen, 1995).

Researchers disagree on the relationship between TAL and TFL. Burns (1978) views them as contrasting styles, while Bass (1985) sees TAL as a prerequisite for TFL. They proposed a "full-range leadership" model, suggesting that TFL does not replace TAL but complements its effects on subordinates and organizational performance. This study hypothesizes that TFL will have a more significant impact on IMC implementation than TAL.

### **Relationship between IMC and Leadership**

Implementing IMC within an organization cannot be delegated to a single department. Rather, it requires cross-functional collaboration involving various departments and functions. As such, executives and managers must provide support and guidance to the departments involved in the IMC implementation process, ensuring proper integration and cross-functional cooperation. This conversation has been ongoing since the introduction of the IMC concept. For instance, Schultz (1996) posited that effective implementation of IMC necessitates strong leadership from managers responsible for overseeing communication within the organization. To achieve this, the organizational structure must integrate the management of communication effectiveness across all brand touchpoints for both the company and the consumer (Duncan, 2002; Luck & Moffatt, 2009; Nowak & Phelps, 1994).

Phelps, Johnson, & Harris (1996) also contended that the attitudes of managers towards environmental changes both within and outside the organization impact the implementation of IMC. The risk perceptions of managers and their degree of involvement in IMC have also been demonstrated to affect its implementation (Hočevar, Žabkar, & Mumel, 2007). In other words, in a volatile market environment, it is essential for managers to proactively respond to environmental changes, even if it entails taking risks to seize new opportunities. The active leadership of managers influences the extent of IMC implementation. This highlights the importance of TFL, which emphasizes change and challenge in IMC implementation.

Other studies have identified factors such as organizational

flexibility, mutual trust, and both horizontal and vertical cooperation as facilitators of IMC implementation. In contrast, high centralization, high control, stability, and rigid rules and structures are inhibitors of IMC (Christensen et al., 2008; Luxton et al., 2017). Furthermore, Schultz (1996) emphasized that the responsibility for managing the brand message rests with frontline managers, not front-line employees, and that 'leading from the front' significantly impacts the integration and management of communications and their performance. Consequently, the leadership of frontline managers who directly interact with employees is anticipated to play a crucial role in the implementation and management of IMC.

Taken together, we believe that the manager's leadership style will positively influence the implementation of IMC. As previously mentioned, a manager's leadership approach significantly affects the motivation and behavior of their subordinates (employees), both directly and indirectly. Consequently, we hypothesize that TAL, where leaders motivate employees through rewards and punishments, and TFL, where leaders instill a sense of mission and vision in employees, inspiring them to exceed expectations, will both positively impact IMC activities. Furthermore, we also hypothesize that TFL will have a more substantial influence on IMC than TAL, as previously discussed.

- Hypothesis 1 (H1): Leadership style (TFL (H1a), TAL (H1b)) will have a positive effect on IMC.
- Hypothesis 1c (H1c): TFA will have a greater effect on IMC than TAL.

### **Relationship between IMC and Business Performance**

In this study, the outcome variables of IMC activities were classified into three categories: CE, brand market performance (BMP), and financial performance (FP). Although a significant portion of the existing literature concentrates on BMP, this study aims to evaluate IMC performance from a broader perspective (e.g., Luxton et al., 2017; Tafesse & Kitchen, 2017).

Firstly, the effectiveness of the communication campaigns was assessed by evaluating media integration, communication vehicle integration, brand recall, and Return on Investment (ROI) compared to key competitors (Luxton et al., 2017). This assessment is supported by previous research. For example, Low (2000) argued that integrating multiple communication dimensions can optimize the effectiveness of vehicles such as advertising, PR, sales promotion, and personal selling. Further studies have demonstrated that implementing IMC at the campaign level enhances synergy between communication vehicles and their effectiveness across various domains, leading to higher excess returns (Foroudi, Dinnie, Kitchen, Melewar, & Foroudi, 2017). Additionally, Luxton et al. (2017) found that implementing IMC significantly boosts the effectiveness of communication campaigns.

Second, BMP was assessed using variables such as quality superiority, premium price acceptance, distributor support, perceived brand loyalty, market penetration, new customer growth, and sales growth to existing customers relative to key competitors (Luxton et al., 2017; Porcu, del Barrio-García, Alcántara-Pilar, & Crespo-Almendros, 2019; Reid, Luxton, & Mavondo, 2005). Reid et al. (2005) and Luxton et al. (2015, 2017) investigated the impact of IMC on BMP in Australian firms and found a positive influence. Similarly, Kang (2014) found that organizational infrastructure, strategic consistency, and planning and evaluation factors positively affected BMP in Korean firms. Furthermore, Porcu et al. (2019) confirmed that IMC activities enhance brand competitive advantage in Spanish service firms, thereby boosting overall BMP.

Finally, FP was assessed using growth measures such as sales, market share, gross profit margin, ROI, and return on total assets over the last three years. Ambler et al. (2002) used ROI to measure the contribution of IMC to company revenues and profits. Duncan and Mulhern (2004) emphasized the importance of measuring touchpoint ROI to improve brand equity and customer value. Schultz and Schultz (2004) proposed return on customer investment (ROCI) as an alternative to traditional ROI to assess the effectiveness of IMC, linking changes in revenue from customers to the cost of targeting them. As mentioned above, Luxton et al. (2017) found that IMC has a direct impact on FP, in addition to CE and BMP.

Based on the above discussion, it can be inferred that there is likely to be a significant positive relationship between IMC and business performance, which includes CE, BMP, and FP. Additionally, relationships between the subfactors of business performance are also expected. Consequently, the following hypotheses have been developed.

- Hypothesis 2 (H2): IMC will have a positive effect on business performance (campaign effectiveness (H2a), brand market performance (H2b), financial performance (H2c)).
- Hypothesis 3 (H3): Campaign effectiveness will have a positive effect on brand market performance.
- Hypothesis 4 (H4): Campaign effectiveness will have a positive effect on financial performance.
- Hypothesis 5 (H5): Brand market performance will have a positive effect on financial performance.

### **Mediating Effects of IMC**

This study investigated the mediating effects of IMC between leadership style and business performance. The preceding discussion demonstrates that there is a significant relationship

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quently, we propose the following hypotheses.

- Hypothesis 6 (H6)
  - IMC mediates the relationship between TFL and business performance (CE (H6a), BMP (H6b), and FP (H6c)).
- IMC and CE (H6d) and IMC and BMP (H6e) will doubly mediate the relationship between TFL and FP.
- IMC, CE, and BMP (H6f) will triple-mediate the relationship between TFL and FP.
- Hypothesis 7 (H7)
- IMC will mediate the relationship between TAL and business performance (CE (H7a), BMP (H7b), and FP (H7c)).
- IMC and CE (H7d) and IMC and BMP (H7e) will doubly mediate the relationship between TAL and FP.
- IMC, CE, and BMP (H7f) will triple-mediate the relationship between TAL and FP.

### Methods

### **Proposed Research Model**

Figure 1 presents the proposed theoretical framework as it pertains to Japanese firms. This framework encompasses the leadership style of managers within these firms, the organization-wide IMC capability, and overall business performance. Additionally, the model incorporates the seven research hypotheses.

# BCRP

### **Data Collection and Sampling**

Data for this study were collected via an online survey administered by research firm Rakuten Insight between February 15 and 18, 2022. The survey targeted marketers employed by companies listed on the 1st Section of the Tokyo Stock Exchange, who are responsible for implementing and managing IMC within their organizations. Participants were asked to rate the leadership style of their supervisors, who directly oversee their daily work activities. The original English questionnaire was translated into Japanese. The final sample is displayed in Table 1.

### **Measure of Constructs**

All variables in this study using a 5-point Likert-type scale (1 = not at all, 5 = very much), and validated questionnaires from previous studies were modified and adapted to fit the context of this study (see Appendix 1). TFL and TAL were assessed using the Multi-Factor Leadership Questionnaire developed by Bass & Avolio (1995). This scale comprises items that evaluate leadership based on subordinates' perceptions of their leaders. TFL was measured using 16 items across four constructs (idealized influence, intellectual stimulation, inspirational motivation, and individualized consideration), while TAL was measured using eight items focused on CR and MBE. For firm-wide IMC, we employed the four-dimensional 'Firm-wide IMC scale' developed by Porcu et al. (2017b). This scale includes four questions on MC, seven questions on IN, seven questions on SCSF, and seven questions on OA, totaling twenty-five questions. The business performance constructs (communication CE, BMP, and FP) were assessed using the scales employed by Reid (2005) and Luxton et al. (2015, 2017). Communication CE was mea-





Table 1. Demographic characteristics of the survey sample

Profile of respondent		Frequency (%)	Profile of resp	Profile of respondent			
Sex	Male	283 (70.8)	Business size (number of employees)	50 or less	1 (0.3)		
	Female	117 (29.3)		51–100	1 (0.3)		
Age	20–29	38 (9.5)		101–300	6 (1.5)		
	30–39	88 (22.0)		301–500	10 (2.5)		
	40–49	114 (28.5)		501-1,000	33 (9.5)		
	50–59	123 (30.8)		1,001–2,000	38 (9.5)		
	60+	37 (9.3)		2,001-5,000	66 (16.5)		
Education	High school graduate	17 (4.3)		5,001 or more	245 (61.3)		
	Professional training	19 (4.8)	Business type	Energy/materials/machinery	34 (8.5)		
	University graduate	304 (76.0)		Food products	16 (4.6)		
	Master's level graduate/Ph.D.	60 (15.0)		Beverages & gourmet	6 (1.5)		
Experience	Fewer than 5 years	50 (12.5)		Pharmaceuticals/medical	26 (6.5)		
	6–9 years	54 (13.5)		Cosmetics & toiletries	19 (4.7)		
	10–14 years	56 (14.0)		Fashion/accessories	23 (5.7)		
	15–19 years	61 (15.3)		Equipment/office supplies	33 (8.3)		
	Over 20 years	179 (44.8)		Home appliances/audio visual	27 (6.8)		
Position	Member of the board	7 (1.8)		Automotive/accessories	24 (6.0)		
	Department head	64 (16.0)		Household goods	1 (0.3)		
	Section head	105 (26.3)		Hobby/sports	6 (1.5)		
	Head of unit	94 (23.5)		Real estate/home renovation	7 (1.8)		
	Staff member	127 (31.8)		Publishing	1 (0.3)		
	Others	3 (0.8)		Telecommunications	59 (14.8)		
				Distribution/retail	28 (7.0)		
				Finance/insurance	51 (12.8)		
				Transportation/leisure	19 (4.8)		
				Food & beverage	10 (2.5)		
				Education/healthcare/religion	5 (1.3)		
				Government/organizations	0 (0.0)		
				Other	5 (1.2)		
Total		400 (100)	Total		400 (100)		

sured with four questions, BMP with seven questions, and FP with five questions.

### **Data Analysis**

To validate the proposed research model, we used partial least squares structural equation modeling rather than covariance-based structural equation modeling (CB-SEM). Generally, PLS is frequently utilized in exploratory studies as it necessitates a more conservative interpretation of results compared to traditional CB-SEM (Hair, Hult, Ringle, & Sarstedt, 2017). A PLS path model analysis was conducted using SmartPLS (v.3.3.9, SmartPLS GmbH, Bönningstedt, Germany). First, confirmatory factor analysis was performed to eliminate all items with a value below the 0.7 threshold. Next, the internal consistency, reliability, and validity of the theoretical model were assessed with the remaining items. Finally, the structural model was estimated, and the proposed model was verified. To evaluate reliability, Cronbach's alpha and composite reliability were utilized, while convergent validity was assessed. The average variance extracted (AVE) was examined to ensure it exceeded the 0.5 threshold. Additionally, discriminant validity was analyzed by comparing the correlation value and the square root of AVE to determine if the square root of AVE was greater than the correlation value between the latent variables. The comprehensive research hypothesis test was conducted using bootstrapping (5,000 iterations, 95% significance level) with the PLS algorithm.

# Results

### Evaluation of the Measurement Model

### Evaluation of First-Order Measurement Models (Reflective)

The reliability of the first-order constructs was evaluated using Cronbach's alpha ( $\alpha$ ), which reflects the correlation between variables, and internal consistency was assessed through composite reliability, taking into account the loadings of the PLS model. The reliability coefficients (Cronbach's alpha) for each construct ranged from 0.834 to 0.967, demonstrating that all construct reliability coefficients satisfied the criterion of 0.7. The composite reliability values also ranged from 0.883 to 0.970, surpassing the threshold of 0.7 and confirming that there were no issues with composite reliability (Bagozzi & Yi, 1988; Hair et al., 2017).

The next step in evaluating the validity of a measurement model involves determining whether each measure exhibits a strong correlation with the construct it is designed to assess (convergent validity) and a weak correlation with all other constructs (discriminant validity). Convergent validity is evaluated by examining the external loadings and AVE of the indicators. In this study, all external loadings of each item, except for eight items (TFL1, TAL7,8, IN3,6, SCSF4,5, and OA4) that did not meet the criterion, were above the threshold of 0.7. The analysis proceeded after removing these items.

As demonstrated in Table 2 below, all extrinsic loadings exceeded 0.7, and the *p*-value for each item was below 0.05. This indicates that all items were statistically significant and suitable for analysis. Additionally, the AVE values for all factors were above 0.6, meeting the criterion of 0.5 or higher, confirming the convergent validity of the variables (Bagozzi & Yi, 1988; Hair et al., 2017).

Next, discriminant validity was assessed using the Fornell-Larcker criterion (Hair et al., 2017). According to this criterion, discriminant validity is established when the square root of the AVE for each latent factor is greater than the correlation co-

### Table 2. Reliability and convergent validity analysis of first-order constructs

Latent (reflective) variable	Item	Factor loading	t-value	AVE	CR	CA
		> 0.7	-	> 0.5	> 0.7	> 0.7
Transformational leadership (TFL)	TFL_2	0.838	41.714	0.685	0.970	0.967
	TFL_3	0.739	25.790			
	TFL_4	0.847	46.056			
	TFL_5	0.873	61.035			
	TFL_6	0.837	43.422			
	TFL_7	0.824	32.444			
	TFL_8	0.789	32.550			
	TFL_9	0.794	30.600			
	TFL_10	0.832	44.085			
	TFL_11	0.863	54.483			
	TFL_12	0.850	41.678			
	TFL_13	0.806	33.589			
	TFL_14	0.837	41.060			
	TFL_15	0.841	41.756			
	TFL_16	0.834	45.911			
Transactional leadership (TAL)	TAL_1	0.814	38.354	0.629	0.910	0.880
	TAL_2	0.812	40.518			
	TAL_3	0.833	45.241			
	TAL_4	0.874	61.898			
	TAL_5	0.701	19.598			
	TAL_6	0.709	19.449			
Message consistency (MC)	MC_1	0.843	54.898	0.675	0.892	0.839
	MC_2	0.746	20.977			
	MC_3	0.856	52.031			
	MC_4	0.838	34.300			

### Table 2. Continued

Latent (reflective) variable	Item	Factor loading	<i>t</i> -value	AVE	CR	CA
		> 0.7		> 0.5	>0.7	> 0.7
Interactivity (IN)	IN_1	0.782	34.589	0.602	0.883	0.834
	IN_2	0.806	36.592			
	IN_4	0.792	34.071			
	IN_5	0.764	25.336			
	IN_7	0.732	23.297			
Stakeholder-centered strategic focus (SCSF)	SCSF_1	0.783	28.324	0.640	0.899	0.859
	SCSF_2	0.803	33.119			
	SCSF_3	0.818	37.848			
	SCSF_6	0.811	38.217			
	SCSF_7	0.783	29.038			
Organizational alignment (OA)	OA_1	0.806	33.096	0.643	0.915	0.888
	OA_2	0.835	47.608			
	OA_3	0.720	23.189			
	OA_5	0.823	39.239			
	OA_6	0.839	42.171			
	OA_7	0.781	30.428			
Campaign effectiveness (CE)	CE_1	0.865	47.614	0.762	0.927	.0896
	CE_2	0.878	55.504			
	CE_3	0.860	44.929			
	CE_4	0.888	70.499			
Brand market performance (BMP)	BMP_1	0.810	34.158	0.669	0.934	0.917
	BMP_2	0.804	27.135			
	BMP_3	0.824	36.932			
	BMP_4	0.891	65.512			
	BMP_5	0.772	26.681			
	BMP_6	0.791	32.764			
	BMP_7	0.828	40.957			
Financial performance (FP)	FP_1	0.859	42.807	0.784	0.948	0.931
	FP_2	0.874	63.179			
	FP_3	0.902	63.636			
	FP_4	0.889	60.460			
	FP_5	0.904	75.016			

*Note*. AVE, average variance extracted; CR, composite reliability; CA, Cronbach's alpha. p < .001.

efficient between the two latent factors (Fornell & Larcker, 1981). As demonstrated in Table 3, the square root of the AVE for each latent factor exceeded the correlation coefficient between the two latent factors, confirming the discriminant validity of the factors.

*Evaluation of Second-Order Measurement Models (Formative)* Wilson and Henseler (2007) introduced the two-stage approach, hierarchical component approach, and hybrid approach as methods for addressing second-order factor structures in PLS. In this study, we employed the two-stage approach, which is suitable for formative indicators. To assess the reliability and validity of the second-order measurement model, we used the non-standardized latent variable scores obtained from the initial factor analysis as the measurement variables. This study's second-order construct consists of four primary factors, yielding four latent variable values for the second-order construct. The reliability assessment for the second-order measurement model is identical to that of the first-order model, which in-

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### Table 3. Discriminant validity: Fornell-Larcker criterion

Construct	CE	SCSF	МС	TAL	TFL	BMP	I	OA	FP
Campaign effectiveness (CE)	0.873								
Stakeholder-centered strategic focus (SCSF)	0.549	0.800							
Message consistency (MC)	0.408	0.687	0.822						
Transactional leadership (TAL)	0.381	0.544	0.601	0.793					
Transformational leadership (TFL)	0.343	0.508	0.560	0.789	0.827				
Brand market performance (BMP)	0.68	0.537	0.458	0.363	0.344	0.818			
Interactivity (IN)	0.618	0.702	0.607	0.483	0.441	0.501	0.776		
Organizational alignment (OA)	0.564	0.757	0.626	0.596	0.56	0.534	0.698	0.802	
Financial performance (FP)	0.426	0.335	0.275	0.248	0.191	0.513	0.347	0.403	0.886

Note. AVE, average variance extracted.

volves verifying if the values of Cronbach's alpha and CR meet or exceed the 0.7 threshold. As demonstrated in Table 4, the internal consistency of the second-order measurement model was confirmed, as all constructs satisfied the criterion.

To test the validity of the second-order measurement model, we carried out three procedures as outlined by Hair et al. (2017). First, we examined the first-order construct of IMC for potential multicollinearity issues. As shown in our analysis, all variance inflation factor (VIF) values were below the conservative threshold of 3.3 (Diamantopoulos & Siguaw, 2006), indicating that there were no multicollinearity problems. The VIF values for the formative constructs were: MC (2.057), IN (2.332), SCSF (3.081), and OA (2.751).

Next, discriminant validity was assessed in the same manner as for the first-order measurement model. The AVE values should all exceed 0.5, and the square root of the AVE should be greater than the correlation of the secondary latent variables. As demonstrated in Table 5, discriminant validity was achieved.

Finally, convergent validity analyzes the causal relationship between first and second-order constructs to determine its significance. To achieve this, PLS path coefficients were assessed by conducting a bootstrap analysis on 5,000 samples. Table 6 demonstrates that all relationships were deemed significant, thereby confirming the convergent validity of the second-order measurement model.

### **Evaluation of the Structural Model**

The main criteria for evaluating structural models are multicollinearity, the coefficient of determination ( $R^2$ ), effect size ( $\mathring{f}$ ), predictive relevance ( $Q^2$ ), and model fit (Hair, Ringle, & Sarstedt, 2011; Hair et al., 2017). First, we assessed multicollinearity by examining the VIF. As previously mentioned, VIF values below the conservative threshold of 3.3 (and the typical threshold of 5) do not pose significant concerns. The VIF values for the paths are as follows: TFL  $\rightarrow$  IMC (2.648), TAL  $\rightarrow$  IMC (2.648), Table 4. Reliability of the second-order measurement model

Construct	CA	CR
	> 0.7	> 0.7
Integrated marketing communication (IMC)	0.894	0.927
Campaign effectiveness (CE)	0.896	0.927
Transactional leadership (TAL)	0.880	0.910
Transformational leadership (TFL)	0.967	0.970
Brand market performance (BMP)	0.917	0.934
Financial performance (FP)	0.931	0.948

Note. CA, Cronbach's alpha; CR, composite reliability.

IMC → CE (1.000), IMC → BMP (1.640), IMC → FP (1.775), CE → BMP (1.640), CE → FP (2.187), BMP → FP (2.023).

Secondly, we analyzed the coefficients of determination (or  $R^2$ -value) of the endogenous latent variables. This value measures the proportion of variance in the endogenous constructs that is explained by all the exogenous constructs connected to them (Hair et al., 2017). To account for the bias introduced by increasing the number of exogenous latent variables, the adjusted coefficient of determination ( $R^2_{adj}$ ) is used. As displayed in Table 7, BMP had the highest value of 0.503, followed by IMC, CE, and FP with values of approximately 0.421, 0.389, and 0.279, respectively, which can be regarded as moderate. Therefore, the explanatory power of the model in this study is considered to be adequate.

Third, to assess whether the omission of an endogenous construct has a significant impact on the model, the effect size  $(f^2)$ is used (Hair et al., 2017). Values of  $f^2$  above 0.02, 0.15, and 0.35 are considered to indicate small, medium, and large effects, respectively. Table 8 shows the results of  $f^2$ . For example, the largest effect size was that of IMC on CE (0.614), followed by that of CE on BMP (0.359), both of which exhibited large effects, and those of TAL on IMC (0.152) and BMP on FP (0.151), which

### Table 5. Discriminant validity: Fornell-Larcker criterion

Construct	AVE	IMC	CE	TAL	TFL	BMP	FP
	> 0.5						
Integrated marketing communication (IMC)	0.760	0.872					
Campaign effectiveness (CE)	0.762	0.617	0.873				
Transactional leadership (TAL)	0.629	0.636	0.382	0.793			
Transformational leadership (TFL)	0.685	0.592	0.343	0.789	0.827		
Brand market performance (BMP)	0.669	0.584	0.682	0.364	0.344	0.818	
Financial performance (FP)	0.784	0.393	0.426	0.248	0.191	0.514	0.886

Note. AVE, average variance extracted.

### Table 6. Convergent validity: significance and relevance of outer weights

Second-order construct	First-order construct	Outer weight	<i>t</i> -value	Bias-corrected 97.5% confidence interval		<i>p</i> -value
				Lower	Upper	_
IMC	$MC \rightarrow IMC$	0.785	21.836***	0.724	0.841	.000
	$IN \rightarrow IMC$	0.865	29.598***	0.811	0.905	.000
	$SCSF \to IMC$	0.877	36.468***	0.832	0.911	.000
	$OA \rightarrow IMC$	0.931	45.328***	0.890	0.958	.000

Note. MC, message consistency; IMC, integrated marketing communication; IN, interactivity; SCSF, stakeholder-centered strategic focus; OA, organizational alignment.

p < .05, p < .01, p < .001

### **Table 7.** Explained variance $(R^2)$

Construct	<b>R</b> <sup>2</sup>	Adjusted <b>R</b> <sup>2</sup>
IMC	0.423	0.421
Campaign effectiveness	0.390	0.389
Brand performance	0.506	0.503
Financial performance	0.285	0.279

*Note.*  $R^2$ -value 0.75 = substantial, 0.50 = moderate and  $\leq$  0.25 = weak (Hair et al., 2017).

### Table 8. f<sup>2</sup> effect sizes

Construct	TFL	TAL	IMC	CE	BMP	FP
Transformational leadership (TFL)			0.038			
Transactional leadership (TAL)			0.152			
Integrated marketing communication (IMC)				0.614	0.088	0.009
Campaign effectiveness (CE)					0.359	0.006
Brand market performance (BMP)						0.151

Note. FP, financial performance.

were moderate effects. The effect sizes of IMC on TFL (0.038) and BMP on IMC (0.088) were found to be small.

Fourth, we implemented blindfolding to assess the predictive relevance. A  $Q^2$ -value greater than 0 for a specific endogenous latent variable indicates that the PLS path model possesses

strong predictive relevance for that latent variable. As demonstrated in Table 9, the cross-validated redundancy of the latent variables indirectly forecasts the endogenous item based on the prediction of the corresponding latent variable utilized in the structural model. The predictive relevance for the resistance

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### **Table 9.** Predictive relevance ( $Q^2$ -values)

Construct	Cross	-validated redundancy	Cross-	validated communality
	<b>Q</b> <sup>2</sup>	Prediction capability	<b>Q</b> <sup>2</sup>	Prediction capability
Integrated marketing communication (IMC)	0.319	0.319	0.583	0.583
Campaign effectiveness (CE)	0.292	0.292	0.587	0.587
Brand market performance (BMP)	0.330	0.330	0.555	0.555
Financial performance (FP)	0.216	0.216	0.665	0.665
Transactional leadership (TAL)			0.481	0.481
Transformational leadership (TFL)			0.634	0.634
Nata $1 = (0^2 \times 0)$ as a diama $(0^2 \times 0.15)$ and high $(0^2 \times 0.25)$	<b>C</b> )			

*Note*. Low  $(Q^2 > 0)$ , medium  $(Q^2 > 0.15)$  and high  $(Q^2 > 0.35)$ .

latent variables IMC, CE, BMP, and FP was all classified as 'medium' ( $Q^2 > 0.15$ ). The cross-validated commonality of latent variables evaluates the path model directly from the latent variables, and all latent variables exhibited high ( $Q^2 > 0.35$ ) predictive power, verifying that the model had substantial predictive power.

In this study, the overall goodness-of-fit (GOF) of the structural model is assessed by calculating the square root of the product of the mean coefficient of determination ( $R^2$ ) and the mean communality (AVE value). A GOF value of 0.532 was obtained. In PLS-PM analysis, the GOF is typically employed to evaluate the overall model fit. A higher GOF value indicates a better model fit; a GOF between 0.1 and 0.25 signifies a low model fit, a GOF between 0.25 and 0.36 indicates a medium model fit, and a GOF of 0.36 or higher represents a high model fit (Tenenhaus, Vinzi, Chatelin, & Lauro, 2005). As shown in Table 10, all GOF indices exceeded the threshold, leading to the conclusion that the structural fit of this research model was excellent.

### Path Analysis and Hypothesis Testing

Next, we investigated the significance of the path coefficients between the latent variables in the structural model. To determine significance, we generated a bootstrap subsample (5,000) in PLS and utilized the *t*-value and *p*-value to test if the path coefficient  $\beta$  is statistically significant at a 5% error probability. As displayed in Figure 2 and Table 11, all six paths (H1a, H1b, H2a, H2b, H3, H5) were deemed statistically significant, with the exception of H2c and H4. Consequently, the hypothesis stating that TFL would have a more substantial influence than TAL on IMC activities (H1c) is not accepted.

In addition, the hypothesis that TFL and TAL impact business performance through the mediation of IMC was partially supported. A partial mediating role of IMC was identified between leadership style and both CE and BMP. However, no mediating role was discovered between the two leadership styles and FP. Moreover, the dual mediation effect of IMC and BMP

### Table 10. Goodness-of-fit (GOF) results

Construct	AVE	<b>R</b> <sup>2</sup>
	(communality)	
Integrated marketing communication (IMC)	0.760	0.421
Campaign effectiveness (CE)	0.762	0.389
Transactional leadership (TAL)	0.629	
Transformational leadership (TFL)	0.685	
Brand market performance (BMP)	0.669	0.503
Financial performance (FP)	0.784	0.279
Average values	0.714	0.398
$AVE \times R^2$	0.284	
$GOF = \sqrt{(AVE \times R^2)}$	0.532	

Note. AVE, average variance extracted.

on FP was significant for both TFL and TAL. The triple mediation effect of IMC, CE, and BMP on FP was also significant for both TFL and TAL. However, the dual mediation effect between IMC and CE was not significant for either leadership style.

### Discussion

### **Discussion of the Findings**

This study was conducted to determine the impact of managerial leadership style on the implementation of IMC in organizations and its relationship to business performance. Key findings are summarized below.

First, TFL demonstrated a significant positive impact on IMC activities through direct path analysis. TFL, characterized by a clear vision, inspirational motivation, intellectual stimulation, and individualized consideration, significantly influenced firms' IMC activities in a dynamic and uncertain marketing environment (H1a). TAL, which is based on exchange transactions between leaders and subordinates, also positively affected IMC management activities (H1b). Interestingly, it had a relatively larger impact than TFL (H1c), suggesting that TAL is more ef-





**Figure 2.** Results of the partial least squares structural analysis. TAL, transactional leadership; TFL, transformational leadership; IMC, integrated marketing communication; MC, message consistency; IN, interactivity; SCSF, stakeholder-centered strategic focus; OA, organizational alignment; CE, campaign effectiveness; BMP, brand market performance; FP, financial performance. \*p < .05, \*\*p < .01, \*\*\*p < .001.

Hypothesis	Path	Original sample (O)	Statistics <i>t</i> ( O/STDEV )	Bias-corrected 97.5% confidence interval		<i>p</i> -value	Supported
				Lower	Upper	-	
H1a	$TFL \to IMC$	0.240	3.875***	0.118	0.365	.000	Yes
H1b	$TAL \rightarrow IMC$	0.444	6.962***	0.316	0.571	.000	Yes
H2a	$IMC \to CE$	0.625	17.940***	0.557	0.691	.000	Yes
H2b	$IMC \to BMP$	0.259	4.580***	0.152	0.378	.000	Yes
H2c	$IMC \to FP$	0.129	1.929	0.002	0.264	.054	No
H3	$CE \rightarrow BMP$	0.520	10.113***	0.411	0.614	.000	Yes
H4	$CE \rightarrow FP$	0.086	1.259	-0.05	0.219	.208	No
H5	$BMP \to FP$	0.380	5.421***	0.239	0.515	.000	Yes
Нба	$TFL \to IMC \to CE$	0.147	3.999***	0.076	0.221	.000	Yes
H6b	$TFL \to IMC \to BMP$	0.063	3.028**	0.027	0.109	.002	Yes
Нбс	$TFL \to IMC \to FP$	0.026	1.567	-0.004	0.061	.117	No
H7a	$TAL \to IMC \to CE$	0.276	6.350***	0.194	0.364	.000	Yes
H7b	$TAL \to IMC \to BMP$	0.118	3.909***	0.064	0.184	.000	Yes
H7c	$TAL \to IMC \to FP$	0.049	1.606	-0.008	0.112	.108	No
H6d	$TFL \to IMC \to CE \to FP$	0.014	1.306	-0.005	0.038	.192	No
H6e	$TFL \to IMC \to BMP \to FP$	0.024	2.597*	0.009	0.046	.009	Yes
H6f	$TFL \to IMC \to CE \to BMP \to FP$	0.029	3.031**	0.013	0.051	.002	Yes
H7d	$TAL \to IMC \to CE \to FP$	0.027	1.327	-0.01	0.069	.185	No
H7e	$TAL \to IMC \to BMP \to FP$	0.045	3.182**	0.022	0.078	.001	Yes
H7f	$TAL \mathop{\rightarrow} IMC \mathop{\rightarrow} CE \mathop{\rightarrow} BMP \mathop{\rightarrow} FP$	0.055	4.102***	0.031	0.085	.000	Yes

#### Table 11. Results of path analysis and hypothesis testing

Note. TFL, transformational leadership; IMC, integrated marketing communication; TAL, transactional leadership; CE, campaign effectiveness; FP, financial performance; BMP, brand market performance.

\*p < .05, \*\*p < .01, \*\*\*p < .001.

fective in implementing and managing IMC activities. This supports previous research findings that these two leadership styles are not opposites but rather complementary and necessary for achieving goals. Furthermore, they coexist within individuals, albeit to varying degrees (Antonakis & House, 2002; Bass, 1985; Burns, 1978).

These results likely stem from differences between the two leadership styles. Essentially, variations in leadership's influence on subordinates' job satisfaction are due to different reasons for subordinates' compliance with their leaders' demands. In TAL, motivation comes from rewards for personal benefit, while in TFL, it derives from the leader's respect and trust. Another distinguishing factor is the development of passion and commitment to work. Unlike TFL, TAL reportedly does not foster passion and commitment to work goals (Yukl, 2002), as subordinates are motivated only to the extent of the rewards received and do not experience exceptional management. Consequently, the difference in the level of subordinate performance that can be achieved through the exercise of leadership appears to have led to the difference in influence on IMC management activities.

Marketers in Japanese companies involved in the implementation of IMC tend to favor TAL, where goals between leaders and employees are aligned, directed, and rewarded based on realistic outcomes, over TFL, which focuses on achieving goals by motivating employees with a long-term, clear vision. However, since both types of leadership exhibited statistically significant results, we believe that a balanced leadership style, with an emphasis on TAL, will have a more positive impact on IMC management activities. This implies that TFL should be employed appropriately alongside TAL to elicit 'beyond expectations' performance from marketers in IMC management or to create a work environment where they feel more connected and engaged in IMC tasks.

Second, we analyzed the impact of firm-wide IMC on business performance, focusing on CE, BMP, and FP. Statistically significant relationships were found from IMC to both campaign effectiveness (H2a) and brand market performance (H2b), but not to financial performance (H2c). While CE influenced brand market performance (H3), it did not directly influence financial performance (H4). However, the relationship between brand market performance and financial performance (H5) was significant, underscoring the importance of leadership-supported IMC activities in enhancing BMP to improve financial outcomes. These findings contrast with previous studies, such as Luxton et al. (2017) and Kang (2021), which reported a positive effect of firmwide IMC on FP. Unlike the previous studies, which focused on strategic orientations (market, learning, etc.), this study focuses on the leadership style of the brand manager. In addition, differences in the results may be due to differences in subject characteristics, country, firm size, and industry.

Third, we investigated the mediating effect of IMC on the relationship between leadership style and business performance. We discovered that IMC served as a mediator between the two leadership styles and both CE (H6a, H7a) and brand market performance (H6b, H7b). However, it did not mediate between the two leadership styles and FP (H6c, H7c). We then explored the dual and triple mediation of the relationship between the two leadership styles and FP. Once again, we found no significance in the paths leading to IMC and CE for both leadership styles (H6d, H7d), but we did find dual and triple mediation for all other paths (H6e, H6f, H7e, H7f).

### **Implications of the Research**

The implications of this research can be divided into theoretical and managerial perspectives. The theoretical implications are as follows.

First, this study expands the scope of IMC research by examining how organizational factors such as structure, culture, and leadership influence IMC implementation-factors that have traditionally been considered barriers but have rarely been empirically investigated. While previous research has predominantly focused on organizational culture (e.g., Porcu et al., 2017a, 2020), few studies have examined how managers' leadership styles influence IMC activities. This is particularly relevant in Japanese firms, where rigid hierarchical structures and decision-making processes strongly influence how subordinates view IMC management. Our study is the first to empirically examine how two different leadership styles affect firmwide IMC, demonstrating their critical role in helping subordinates effectively manage IMC in a dynamic and uncertain marketing environment.

Second, although the mechanisms by which managers' leadership styles contribute to business performance have been explored, few studies have investigated the mediating role of IMC management activities. Specifically, this study confirms the mediating role of IMC implementation and management activities within the organization, bridging the gap between leadership and CE, as well as leadership and BMP. This finding offers a chance to reevaluate the function of leadership within marketing organizations. The study demonstrates that IMC implementation and management activities are enhanced by managers' leadership and are associated with both CE and BMP.

Third, this study revalidates the comprehensive IMC scale proposed in a previous study (Porcu et al., 2017b) by applying it to Japanese firms, confirming that the findings can be applied to firms across various industries. Moreover, unlike the

previous study (Porcu et al., 2017a), which analyzed a sample heavily skewed towards a specific industry (85% of the sample consisted of hotel companies, n = 180), this study examined the effectiveness of organization-wide IMC implementation and management activities in a context that considers diverse industries, firm sizes, and respondent characteristics.

The managerial implications of this study are as follows. First, the results suggest that TAL is more effective than TFL when it comes to implementing IMC within an organization. As a result, managers should proactively adopt TAL strategies by recognizing the needs of their subordinates and providing rewards commensurate with their effort and performance, enabling them to effectively carry out their assigned tasks. In the context of Japanese companies, where wages have stagnated in recent decades, monetary incentives tend to be more motivating for employees than personal growth or a future vision.

Second, as previously mentioned, this does not imply that TFL is unnecessary in Japanese companies. To continue growing in a rapidly evolving business environment, companies must strategically employ both transformational and TAL to maximize the positive impact on their subordinates' IMC implementation and processes. Given the current state of Japanese companies, TFL focused on innovation is more urgently required. However, it is challenging for TFL to be effective if TAL, which emphasizes realistic compensation systems (e.g., wage increases), is not functioning properly. If these issues are addressed, we believe that TFL can be effective in today's rapidly changing society, as opposed to the bottom-up leadership of the past.

Organizational change management is vital for navigating rapid shifts in media, consumer, and technology landscapes related to IMC. TFL plays a crucial role in reducing confusion during these changes. Managers need to communicate the longterm vision, set a tone that aligns with the change direction, fully support necessary resource investments, and make decisive actions. Understanding subordinates' personal characteristics is crucial for this process. Therefore, research should assess whether a manager's leadership style matches the organization's desired approach to effectively implement and manage IMC activities.

Third, the firm-wide IMC measurement tool utilized in this study (Porcu et al., 2017b) can be highly beneficial for marketers and practitioners during the decision-making process of IMC implementation. This tool offers valuable information for comprehending the organization's situation concerning IMC and helps identify and prevent factors that may impede the organization's communication performance beforehand. Moreover, this method of measuring IMC can aid executives in gaining a deeper understanding of how their organization integrates communication. As Porcu et al. (2020) point out, each of the four dimensions of IMC can also serve as a guide to evaluate the extent of their implementation within an organization.

### **Limitations and Future Research**

The limitations of this study and future research questions are as follows. First, this study focused on two leadership styles (transformational and transactional) of supervisors in relation to IMC-related organizational issues. However, various endogenous factors such as organizational culture, structure, fairness, employee competence, and team competence may also influence IMC. Future research could examine these factors and their causal relationship with IMC, using a comprehensive model and in-depth interviews with IMC practitioners.

Second, while this study examined TFL and TAL as antecedents of IMC and their effects on CE, BMP, and FP, future research could explore other leadership styles such as shared, servant, delegative, coaching, authentic, and charismatic leadership. Additionally, variables such as employee self-efficacy, affective commitment, organizational culture (advocacy vs. market), and communication style (horizontal vs. vertical) could be considered as moderators. International comparisons may also provide valuable insights.

Finally, this study used a sample of 400 marketers from various industries to examine the mediating effects of supervisor leadership style on IMC implementation and management, and the impact of IMC on managerial performance. Future research should consider a larger sample size and control for industry and position characteristics, as the effects of the variables may differ based on these factors.

# Conclusion

Despite certain limitations, this study holds significance as it unveils the relationship between managers' leadership styles and IMC, a connection that has not been empirically tested before. It offers both theoretical and practical implications for enhancing business performance. Future research exploring the relationship between managers' leadership styles and business performance through IMC activities could prove beneficial in addressing organizational issues that impede IMC implementation. Building upon this study, the effects of organizational culture and employee competencies on IMC implementation may vary based on individual employee characteristics, the organization's background and environment, and the organization's unique traits. As a future endeavor, conducting follow-up studies on these aspects could provide concrete and practical measures to better understand the organizational factors that hinder IMC implementation, ultimately leading to more effective solutions.

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# BCRP



# Appendix

**Appendix 1.** Leadership styles, integrated marketing communication, campaign effectiveness, brand market performance, and financial performance measures

Leadership styles (Bass & Avolio, 1995)

Please indicate your level of agreement with the following statements (1 = strongly disagree; 5 = strongly agree).

Transformational leadership (TFL)

TFL1. My leader acts in ways that build my respect.

TFL2. My leader goes beyond self-interest for the good of the group.

TFL3. My leader specifies the importance of having a strong sense of purpose.

TFL4. My leader emphasizes the importance of having a collective sense of mission.

TFL5. My leader spends time teaching and coaching.

TFL6. My leader treats me as an individual rather than just as a member of a group.

TFL7. My leader considers me as having different needs, abilities and aspirations from others.

TFL8. My leader helps you develop your strengths.

TFL9. My leader re-examines critical assumptions to question whether they are appropriate.

TFL10. My leader seeks differing perspectives when solving problems.

TFL11. My leader gets you to look at problems from many different angles.

TFL12. My leader suggests new ways of looking at how to complete assignments.

TFL13. My leader talks optimistically about the future.

TFL14. My leader talks enthusiastically about what needs to be accomplished.

TFL15. My leader articulates a compelling vision of the future.

TFL16. My leader expresses confidence that goals will be achieved.

Transactional leadership (TAL)

TAL1. My leader provides assistance in exchange for your efforts.

TAL2. My leader discusses in specific terms who is responsible for achieving performance targets.

TAL3. My leader makes clear what one can expect to receive when performance goals are achieved.

TAL4. My leader expresses satisfaction when I meet expectations.

TAL5. My leader fails to interfere until problems become serious.

TAL6. My leader waits for things to go wrong before he acts.

TAL7. My leader shows that he/she is a firm believer in 'If it isn't broke, don't fix it.'

TAL8. My leader demonstrates that problems must become chronic before acting.

Integrated marketing communication (IMC) (Porcu et al., 2017b)

Please indicate your level of agreement with the following statements (1 = strongly disagree; 5 = strongly agree).

Message consistency

MC1. My company carefully coordinates all the messages originated by all departments and functions with the aim of maintaining the consistency of its strategic positioning.

MC2. My company maintains consistency in all the visual components of communication.

MC3. My company periodically reviews all its planned messages to determine its level of strategic positioning consistency.

MC4. In my company it is paramount to maintain the consistency between product messages, that are inferred from, and comprise everything embedded in the organization's product and service messages, deriving from the experience of dealing with the organization, its staff, agents, and products.

Interactivity

IN1. My company promotes the creation of special programs to facilitate stakeholders' inquiries and complaints about our brands, products, and the company itself.

IN2. My company gathers stakeholders' information that is collected or generated via different sources from all divisions or departments into a unified database that is configured to be useful and easily accessible to all the organizational levels.

IN3. In my company it is crucial for the organization as a whole and for all its human resources to have a responsive attitude towards the messages received from its stakeholders.

IN4. In my company, strategic use of the ICTs enhances the speed of response of the organization as a whole.

IN5. In my company actively listening to stakeholder-generated messages, for instance via word of mouth (WOM and e-WOM) is of vital importance in setting its communication strategies.

IN6. My company considers that the relationship between the company and its stakeholders must be reciprocal to establish a trust-based and on-going dialogue.

IN7. My company proactively implements social media by listening to the existing conversations to promote a dialogue with its stakeholders.



#### Appendix 1. Continued

Stakeholder-centered strategic focus

- SCSF1. The company's mission is a key consideration in its communications planning, and it is promoted among stakeholders.
- SCSF2. My company develops and implements systematic studies to assess the efficacy and consistency of its corporate communications in order to build and maintain sound relationships with all its stakeholders.
- SCSF3. In my company, acknowledgement of the main touchpoints between the company and its stakeholders is paramount to strengthen for more effective communication.
- SCSF4. In my company social media are an alternative way for stakeholders to contact the company.
- SCSF5. In working towards the goal of establishing and maintaining stakeholder relationships, in my company human resources in all organizational areas must collaborate as needed.
- SCSF6. In my company, human resources in all organizational areas pursue the objective of providing stakeholder-centered solutions.
- SCSF7. My company establishes and nourishes relationships with external agents/partners in order to achieve high-value solutions for stakeholders.

Organizational alignment

- OA1. My company carefully manages horizontal internal communication by ensuring that all organizational areas acknowledge the goals pursued by the organization.
- OA2. My company carefully manages vertical internal communication by ensuring that the information flows through all the hierarchical levels of the organization.
- OA3. My company ensures that its external agents and partners have at least several contacts per month with each other.
- OA4. In my company horizontal and vertical cooperation are crucial because all departments affect the corporate reputation.
- OA5. In my company employees and managers share the corporate values and the main goals of the company that guide them in carrying out their specific tasks and functions.
- OA6. In my company encouraging and promoting a collaborative culture and climate is highly relevant in order to activate cross-functional coordination mechanisms.

OA7. My company trains all human resources to enable them to develop cooperation and coordination skills.

IMC performance (Luxton et al., 2017)

Please indicate your level of agreement with the following statements (1 = strongly disagree; 5 = strongly agree).

Campaign effectiveness (relative to main competitor)

CE1. We are more successful in achieving 'above-the-line' objectives.

CE2. We have greater 'synergy' between the communication tools used.

CE3. Our campaigns have a longer sustained effect on consumer brand recall.

CE4. We have a higher return on campaign investment.

Brand market performance (relative to main competitor)

BMP1. Our brand is seen as being of higher quality.

BMP2. Our brand can maintain a price premium in the marketplace.

BMP3. Our brand commands greater support from our intermediaries.

BMP4. Our brand has a higher level of brand loyalty.

BMP5. Our brand is more easily able to increase its market penetration.

Financial performance (past 3 years)

FP1. Sales value.

FP2. Market share.

FP3. Gross margin.

FP4. Return on investment.

FP5. Return on assets.