

EXPLORATORY ANALYSIS OF INTERNAL COMMUNICATION CHARACTERISTICS – RESULTS OF EMPIRICAL RESEARCH*

*Réka Saáry*¹

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Summary

This study analyses the features, channels and functionality of intern (internal) communication. On the basis of theoretical models and results of empirical studies it is no question for 21st century researchers that well-managed internal communication is a possible indicator of corporate success. The question is to what extent this fact is recognized by business leaders and how the result of conscious or less conscious communication management boils down based on employees' assessment. Using non-representative research results, this study aims to show what kind of characteristics can describe intern communication practices in enterprises having a different number of employees.

Key words: *intern (internal) communication, organizational communication, communication management.*

1. INTRODUCTION

Corporate communications are indisputably the dominant element of value creation. The present classic value chain model defined by Porter (1986) does not treat communication as a self-supported activity. However, in interdisciplinary models combining economic and social sciences by researchers at the turn of the century, intangible value factors have become increasingly important, including corporate communica-

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¹ Réka Saáry, Institut of Economics and Social Sciences, Keleti Faculty of Business and Management, Óbuda University, Hungary, E-mail: Saary.reka@kgk.uni-obuda.hu

tions, intellectual property, organizational capabilities and corporate culture. Communication in itself does not produce a yield, but its most obvious contribution to value creation comes from its enabling, facilitating ability. (Borgulya, 2010)

According to Grunig (1992), organizational communication is the communication behavior of people, groups or organizations, that is, the management of communication between an organization and its stakeholders. (Nyáradi-Szeles, 2004 17.o) The authors, based on the typical perception of organizations nowadays, stress the significance of spontaneous communication arising from the organization's personality and behaviour. In Borgulya's (2003) definition, integrated corporate communication is a planned, deliberate process that delivers information to the stakeholders in accordance with the organization's strategic objectives. Integrated communication is a comprehensive, consistent and targeted exchange of information, exploiting each channel as efficiently as possible.

Corporate communication features are: location (intern or extern), orientation (vertical, horizontal, diagonal), one-way, two-way, its regulation (formal, informal), features of information management (centralized, decentralized, decentralized integrated). (Borgulya, 2010) Hereinafter, this paper deals with exploring the features of internal communication.

2. INTERN COMMUNICATION FEATURES AND FUNCTIONS

Integrated organizational communication is a planned, conscious process that delivers information to those affected in accordance with the strategic objectives of the organization. The strategic importance of internal communication has been recognized for the last thirty years. Some Anglo-Saxon authors narrow it down to eras that define the nature and role of internal communication in different ways such as: entertaining employees ('40s), providing one-way information ('50s), persuasion ('60s), open communication ('80s). The 21st century internal communication, however, maintains a continuous interest, stimulates, manages changes and ensures the employees' involvement and commitment towards the company. (Chalmers, 2008)

Intern communication allows for planning, managing, monitoring and evaluation of work towards a common goal, providing operating conditions and coordination of resources. (Borgulya, 2010) Internal communication is an added value for communication that manifests itself by the performance of assigned functions. Smith and Mitchell (1976) defined the four main functions of communication: emotional, motivational, informational and control functions. The designated tasks also appear in several areas in the process of internal public relations. Borgulya (2010) adds the integrating function to the functions defined by the authors. The integrating function allows the accepting behavior of the environment and the identification of staff. Internal communication characteristics are summarized in Table 1.

Table 1: Specifics of internal communications

Dimensions	Specifics
<i>Directions</i>	Top down, bottom up, horizontal
<i>Orientation</i>	One way, two way dialog
<i>Target group specifics</i>	Interpersonal, group, company-wide
<i>Content</i>	Macro, micro topic
<i>Formalization</i>	Formal, informal
<i>Cyclicity</i>	Singular, regular, irregular
<i>Functions within the company</i>	Organization management Efficiency enhancement Image improvement function Human resources function
<i>Functions of communication</i>	Informational, control functions Informational, motivational, emotional, control Informational, motivational, emotional

Source: edited by the author on the basis of Bakacsi et al (1996) Barát (2001) and Nyárádi-Szeles (2004)

Raising internal communication to strategic levels also brought about the need for a more conscious design. Clampitt and Berk (1996) compared the strategic tasks of organizational communication to an iceberg. (Figure 1) The authors draw attention to the fact that the core of the planning process can be found under the surface, while company practice focuses resources primarily on the visible, tactical areas.

Figure 1: The levels of planning, Iceberg model



Source: by the author based on (Camplitt-Berk, 1996)

Everything that takes place under the surface based on the model, and in real life as well, may determine the manifestation of internal communication.

Organizational, leadership knowledge suggests increasingly sophisticated methods for the cooperation of staff and subordinates with the focus really being on cooperation. Communication theories, of course, follow this approach.

According to Clampitt and Down (1993), a well-functioning internal communication results in improved productivity, reduced absenteeism and fluctuation and improves the quality of products and services. Innovation becomes more intense and there are less strikes. Overall, based on the authors' opinion, these factors will result in cost savings. Let us add that the cited study was conducted in an earlier period of communication research, in the spirit of company marketing approach, but the focus of typical interdisciplinary approaches of the 2000s - in addition to cost reduction - is the company's social responsibility and as its constructive factor. Therefore, the focus is shifting to the added value of communication.

Organizational and management skills offer more and more sophisticated methods of cooperating with employees and other subordinates. The focus is really on cooperation. Communication theories, of course, also follow this approach.

To summarize the tactical tasks Jackson-Welch (2007) created the internal communication matrix. The model is based on implementing stakeholder theory when defining target groups of internal communications. The authors defined five target groups according to different interests and involvement: scope of employees, strategic management, operational management, level of functional departments and scope of working groups organized around the project tasks. The company internal communication matrix can be compiled considering the different information needs of the target groups of communication, information flow direction and typical orientation channels.

3. PERCEPTION OF INTERNAL COMMUNICATION CHANNELS IMPORTANCE - EMPIRICAL RESEARCH

The plan of empirical research is the result of prior theoretical and secondary review. The research aims were induced by secondary results.

The aim of the research is the exploration of channels used in internal communication, determining their importance in relation to certain types of companies. According to Borgulya (2010), small and medium enterprises exhibit extreme characteristics in the field of communication management. For most companies, communications reform and the development of conscious communication management would be indispensable. In presenting the research results, high priority is given to the presentation of results from respondents employed in these companies.

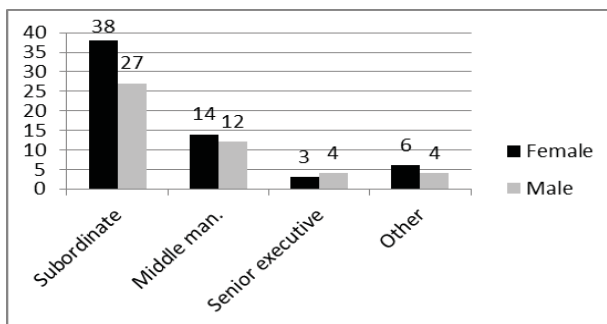
My primary quantitative study with standard interviews reveals the characteristics of internal information flow, its channels and the practice of communication related to changes by analyzing employees' perceptions.

The survey was carried out using an on-line questionnaire in June 2013 on a non-representative sample of 110 persons, while data processing was performed using Excel and EvaSys system.

3.1 Demographic characteristics of the sample

Regarding the demographic composition of the sample, 43.6% of the respondents were male and 56.4% female. A significant number of respondents, almost 63%, were between the age of 31 and 45, 25.7% represent the age group 18 to 30, while 5.7-5.7% are in age groups 46 to 55 and over 56. Fig. No 2 shows respondents' position according to gender.

Figure 2: Composition of the sample by gender and position



Source: by the author, based on own primary research, 2013, N=110

Organizations qualified by the respondents in terms of the number of their employees appear in the sample according to Table 2.

Table 2: Distribution of number of employees in qualified organizations (%)

Number of employees	Rate in the sample
Under 10 people	14,70%
11-50 people	13,80%
51-250 people	24,80%
251-500 people	11,90%
501-1000 people	10,10%
Over 1001 people	24,70%

Source: by the author, based on own primary research, 2013, N=110

3.2 Results

The assessment of information flow standard and the functioning of inner communication was examined with the help of ten five-point Likert-scaled questions. All in all, the respondents evaluated the standard of internal information flow, communication 3.1 scale value as moderate. The average scale value varied between 3 and 3.3 for a large number of questions, by comparison, although the difference is negligible (2.9). Communication about changes had the most negative evaluation among respondents, which probably is related to increased information needs specific to such cases. The respondents were most satisfied with the volume and content of information from fellow workers and immediate superiors.

The perception of communication features shows a significant difference depending on company size, such as in this case, the number of employees. (Table 3) Based on the average values of the sample it is clear that the employees of medium-sized companies are the least satisfied with the quality of internal information flow. All in all, examining the relationship between assessing the information flow and company size using the Pearson Chi-Square test, the result is 0.0063 which shows correlation between the two variables at a 95% significance level. Stressing that the research is non-representative and was carried out on a small sample, we can say that the results obtained draw attention to shortcomings in medium enterprises with regard to communication management.

Table 3: Perceived quality of information flow in different company sizes

Characteristics quality of information flow	Company size based on employees number						
	-10	11-50	51-250	251-500	501-1000	1001-	Total
Overall quality of information flow	3,5	3,2	2,74	2,62	3,82	3,07	3,1
Accurate, credible information	3,56	2,93	2,78	2,54	4	3,48	3,19
Factual, documented formal information	3,44	2,93	2,67	2,77	4,27	3,37	3,16
Information on the reasons of changes	3,13	2,67	2,33	2,62	4	3,04	2,88
Factual information on the expected results of changes	3,31	3,21	2,44	2,54	3,37	2,93	2,94
Effective meetings	3,31	3,2	2,84	2,92	3,82	3,07	3,05

Source: by the author, based on own primary research, 2013, N=110

Averages, standard deviation and confidence intervals calculated at 95% confidence level based on the responses in relation to frequency of use and the efficiency of individual information channels are listed in Table 4.

Table 4: Frequency of use and efficiency of information channels

	Communication channels	<i>Average</i>	<i>St. Dev.</i>	<i>Confidence interval (avg. +/-)</i>
<i>Frequency</i>	Verbal information from direct superior	3,69	1,16	0,2174
	Unofficial information from colleagues	3,66	1,06	0,2085
	Central information: newsletters, e-mails, intranet	3,47	1,4	0,2697
	Regular formal meetings	3,3	1,29	0,2409
	Written information from direct superior	2,98	1,22	0,2278
	Official information from colleagues	2,88	1,07	0,2054
<i>Efficiency</i>	Verbal information from direct superior	3,64	1,16	0,2257
	Unofficial information from colleagues	3,54	0,96	0,2005
	Written information from direct superior	3,46	1,21	0,2493
	Central information: newsletters, e-mails, intranet	3,28	1,24	0,2557
	Official information from colleagues	3,22	0,98	0,2137
	Regular formal meetings	3,07	1,27	0,249

Source: by the author, based on own primary research, 2013, N=110
(1-not frequent/effective at all; 5- very frequent/effective)

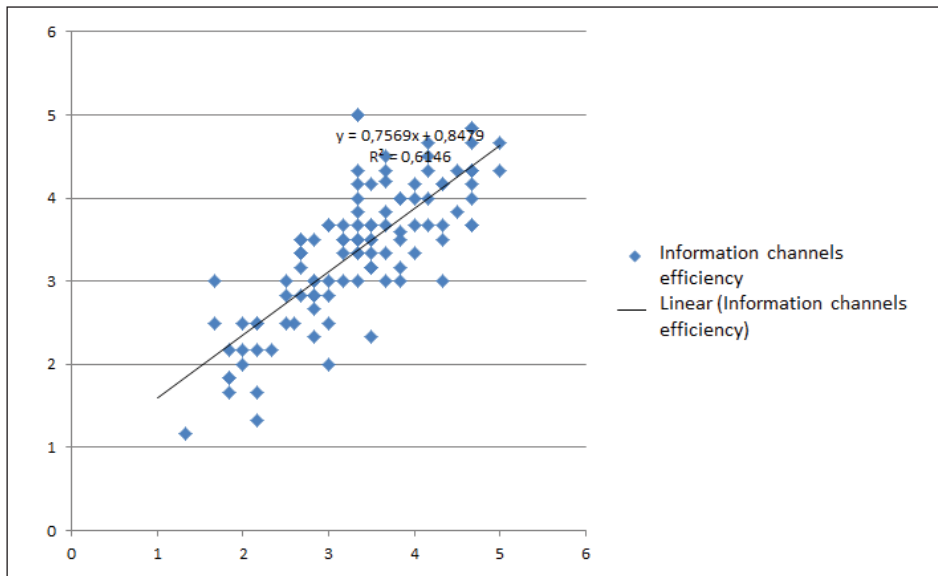
The results support the sequencing already known from the literature. Respondents ranked the immediate superior’s verbal information first, regarding both frequency and effectiveness. Averages of individual channel types do not show a significant difference among companies with a different number of staff employed, with the exception of central information, which, in the case of micro-enterprises, for understandable reasons includes a relatively low number of points.

Looking at the three highest average values obtained by communication channels, the relatively negative value judgment by employees of medium-sized companies (51-250 and 251-500 people) is striking regarding both frequency and effectiveness.

Testing the relationship between frequency of use and effectiveness of communication channels using Chi2-test, the result is 0.0047 meaning that with 95% reliability there is a significant relationship between the frequency of use of that particular channel and its effectiveness. The Pearson correlation coefficient calculated from the responses to the two questions is 0.699, which also refers to a definite relationship with respect to the factors under study.

Based on both the independence test and professional judgment, it seems that in the context of average frequency of use and the average efficiency of information channels, a relationship can be detected. On the basis of professional consideration it can be assumed that during the test, the frequency of the use of communication channels will be the independent variable, a unit whose increase triggers growth in the efficiency of individual channels. The relationship of calculated averages from the two factors is demonstrated in Figure 3. The nature of the relationship and the strength of correlation can be estimated on the basis of the location and the direction of migration of the points. The correlation coefficient of the two samples is 0.7839, indicating a strong relationship between the average values of the frequency of use and efficiency.

Figure 3: The relationship of communication channels frequency of use and efficiency



Source: by the author, based on own primary research, 2013, N=110

Based on the coefficient of determination value defined during the study, $R^2=0,6146$, it can be stated that the y-value, that is, the change in efficiency of the communication channels x, i.e., the frequency of use of channels figures in 61%.

4. CONCLUSION

Based on the theoretical overview of the characteristics and functionality of intern communication, its role in corporate efficiency can be clearly defined. Corporate communication operates either in a spontaneous or a planned, deliberate way, independently of the company size. As with company size, the number of employees increases, declaring internal communication as a factor of success and raising communication management to a strategic level is clearly evident. The deficiencies of internal company communication and information deficit may worsen not only the employees' general well-being, working practices and effectiveness, but, implicitly, they may lead to the deterioration of corporate performance.

Based on the results of the research, the following conclusions can be made:

- Based on the medium results obtained regarding the assessment of internal communication, it seems that efficiently functioning, trouble-free communication is only a utopia for companies employing respondents. Firms with 50-500 employees in the sample are performing particularly poorly as regards the management of internal communication according to the people working there.
- The frequency of use of individual channels and their efficiency as perceived by the respondents can provide guidance for managers and internal communication experts in the tactical planning of internal communication. The sequence of several previous tests is reflected in the results of this research. The individual channels, such as face-to-face communication with the superior and non-official forums - regardless of employee headcount - are particularly important according to the respondents' assessment and their development is essential.
- Based on the contexts discovered during the research - taking into account the limitations of the research - we can say that by increasing the frequency of use of individual information channels, the efficiency ascribed to them also increases. The task of strategic and tactical planning is to establish through exploration of other factors an optimal, integrated internal communication mix that enables quick, trouble-free and efficient flow of information.

Communication theories and models found in the literature and presented in the article are suitable for depicting the communication processes and outlining the affected areas of activity (strategic, tactical management), but are by no means able to grasp the complexity of reality. The success of intern communication management can be affected by a number of factors, such as the cultural characteristics of the respective company, its environment, managerial skills, staff composition, industry-specific features, the character of communication messages and so on. Besides the unique features and despite them, internal communication is recognised as a decisive factor of efficiency and performance of the company in addition to increased awareness and organization can definitely be one of the keys to success.

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EKSPLORATIVNA ANALIZA KARAKTERISTIKA INTERNE KOMUNIKACIJE – REZULTATI EMPIRIJSKOG ISTRAŽIVANJA

*Réka Saáry*²

Sažetak

Ovaj rad analizira obilježja, kanale i funkcionalnost interne komunikacije. Na temelju teoretskih modela i rezultata empirijskih istraživanja, za znanstvenike 21. stoljeća nema sumnje da je kvalitetno upravljana interna komunikacija mogući pokazatelj poslovnog uspjeha. Pitanje je samo do koje mjere ovu činjenicu priznaju poslovni rukovoditelji te kako rezultate svjesnog ili manje svjesnog komunikacijskog upravljanja percipiraju zaposlenici. Koristeći ne-reprezentativne rezultate istraživanja svrha ovog rada je prikazati različite karakteristike kojima se opisuju interne komunikacijske prakse u tvrtkama s različitim brojevima zaposlenika.

Gljučne riječi: *interna komunikacija, organizacijska komunikacija, komunikacijsko upravljanje.*

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² Réka Saáry, Institut of Economics and Social Sciences, Keleti Faculty of Business and Management, Óbuda University, Madžarska, E-mail: Saary.reka@kgk.uni-obuda.hu