

# The Importance of Internal Company Communication

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## **Summary**

The article brings an overview of internal communication content. It clarifies the internal communication within the context of personal, marketing and other areas of the company control process. It points out the synergy of each item from the manager's communication abilities and skills to using the information and communication technology tools. The second part of the article describes the selected results of field research, temporary status and trends of manager's views of the issue of the internal communication and proves the expectations of underrated meaning and the main reasons for ineffective communication.

Keywords: Internal Communication, Management, Research of Internal Communication

## **Introduction**

Nowadays, the management of human resources is showed as a very important matter which has a big influence on the whole prosperity of the company. The satisfied and loyal employees – internal partners create the base of effective work in a real company life and this whole matter is built on effective internal communication. The internal communication process exactly influences the building of mutual relations between the company (management) and the employees. The mutual interaction, internal communication running from the management to the employees and from the employees to the management and via all directions in the company, it has essential influences on the work-related attitude, views and behaviour of all people in the company. Unfortunately, the importance of internal company communication is not really sufficiently comprehended in managerial practice. The issue of internal company communication is often not solved by the company management and that is why the internal communication cannot contribute by its power to effective company work. However, the company management is not aware of the most important meaning of effective internal communication - the base of company management and the beginning of knowledge management, reengineering and the whole prosperity of the company, the company loses a big advantage.

## **Starting concept of the company communication.**

Every company needs sufficient information from its surrounding to survive in high competitive market. Information from micro and macro surrounding helps fulfil company targets. According to the market information the company analyses the market opportunities and threats and considers company possibilities to determinate the company strategy. On the other hand the information from the company to the market ensures the success of the company products or services on the market. The external information stream between the company and its broad surroundings where this company offers its own products or services is a basic condition of effective working. The internal information and its implementation are necessary for the company working and the market success as well. The communication process inside the company is important as external information and sometimes, in special situations, could be even more important. It is necessary to realise that the main task of internal communication is satisfying the information needs of all people in the company. First they need basic information for managing their job duties and finally, information of the company targets and the company strategy helps to create the employee's trust and loyalty.

Company communication is involved in all management activities and it is the main element which connects and coordinates all activities in the company through controlling (managing and coaching) people. In this context we can understand the communication process as a process of giving, exchanging and getting information, which must be based on understanding and its checking by feedback.

Mostly, we can see the meaning of communication in these activities:

- transfer (giving) news, information and decisions,
- clarifying the situations and the states,
- persuade and influence,

But the broader understanding of communication can also include work with information, summarized in these activities:

- monitoring – searching , finding out and understanding a content, collecting of information and its recording and saving,
- interpretation – giving the information with its dedicated value,
- distribution – giving the information effectively according to its value,
- sharing – understanding the meaning of information by all members of the team,
- realisation – practical implementation and using the information for setting of the processes and standards in the company.

The managers are also responsible for prevention of miscommunication spreading and they should prevent the creation of information noise and vacuum which results in decreasing the effectiveness of controlling and functioning the company in general.

The results of communication mess have far reaching effects on the team and each member's activities and behaviour, for example:

- decrease of motivation,
- indecision – decrease of decision ability,
- passivity,
- frustration,

on the company side these deficiencies could result in:

- high rate of the employee turnover (fluctuation),
- wrong coordination of all activities of the company,
- failing to reach the company target,
- wrong target and strategy,
- ineffectiveness in marketing,
- competition disability.

All these results of wrong communication show the necessity and importance of the correct setting of information channels and the setting of the company standard communication processes.

The company communications channels are based on using ITC utilities (hardware, software and communication equipment) and systems and also based on management willing and the company strategy.

For setting the correct function of internal communication it is very important to understand internal communication as an everyday priority of the manager activity and an important matter of each employee's work. Such communication is a base for every activity and especially for controlling people by managers. To understand communication means to realize that communication is focused on the recipient who receives some information, so the communication process must involve enough space for feedback.

### **Internal communication content**

According to various research papers of managers' views the 60 % of problems in the organisation are caused by misunderstanding (incorrect communication). The comprehensive content of internal communication is realised within leadership. The main challenge of leadership is to achieve mutual benefit for the company and the employees. The filling of mutual expectation (company employees' results requirements and on the other side the employees' requirements) is a very important premise which leads to overall company prosperity. When employees work results or their work behaviour and attitudes are not in accordance with the company aims, the management can find reasons in three problem areas:

- they do not know what they should do, they have a lack of information,
- they cannot do what they should do, they cannot do, because they have a lack of skills or the workplace conditions are insufficient,
- they do not want do what they should do, they are not motivated enough to achieve the work target.

Only open and effective communication leads to prevention, to the detection of sources, to problem definition and its, follow-up, solution. The base of prevention and first category issues solution is providing information within daily management. Examples of suitable communication tools are internal workshops, managers clarifying and setting of tasks, making regular appraisals of work performance and finally an information system includes sufficient up-to-date and relevant information necessary for employees work performance.

The personnel management can prevent the second category problems. The job description including work requirements creates a good framework for an effective recruitment process.

The most demanding solution is required for problems of the third category “employees do not want to ..”. This issue involves the overall company culture (including internal communication), teambuilding, partnerships between the company and its employees, an employee motivation program, formal and informal relations, managerial styles and managers communication abilities and skills.

Of the above text the main content of internal communication can be summarized :

- providing information for employees needs (information necessary for job duties),
- internal Public Relations (communication necessary for employees work behaviour and attitudes),
- consolidation of employees stability and loyalty (communication necessary for company activities coordination, processing, standards, building of company culture).

The process of internal communication involves personal management, internal marketing, managerial communication abilities and skills and finally company information and communication infrastructure. Only the synergy of all the above-mentioned activities can guarantee effective internal communication as the base of company management.

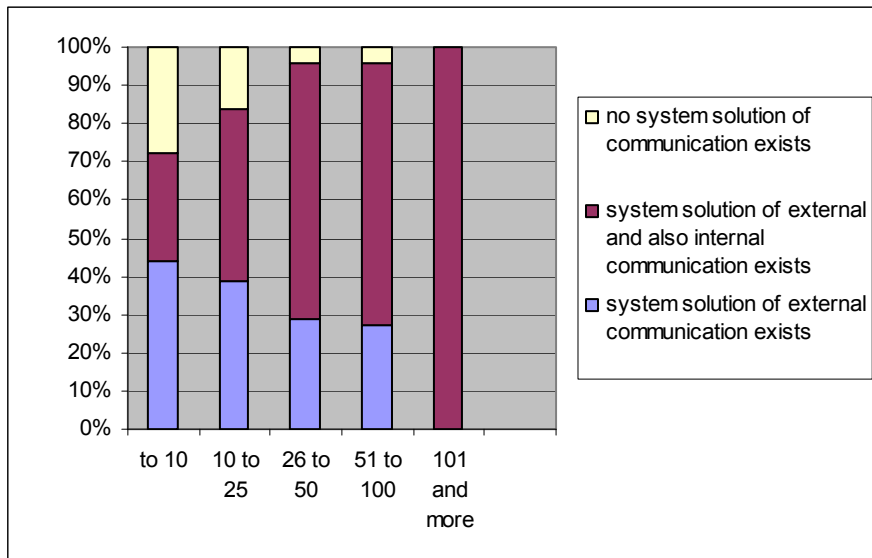
### **Selected results of internal company research**

In the years 2005-6 an investigative research was carried out in approximately 800 Czech enterprises. The obtained material served as the data of the managers views and the company's solution of the internal communication process. The research of internal communication was part of the whole company communication which I submitted within the framework of my scientific work at the Institute of Electrical Engineering and Informatics at the University of Pardubice. The questionnaire was based on choosing answers which were set according to personal theoretical knowledge and practical experience. Open source product phpESP was modified for purpose of the research and the questionnaire was accessible via the internet environment to increase the respondents comfort. The task of the questionnaire was to bring the main managers views and status of internal communication and to prove the mentioned expectations. The results of the research were handled by common statistics methods and these results proved the expectation. The meaning of internal company communication is not really sufficiently comprehended in managerial practice.

The field research was focused on proving the expectations of two following areas.

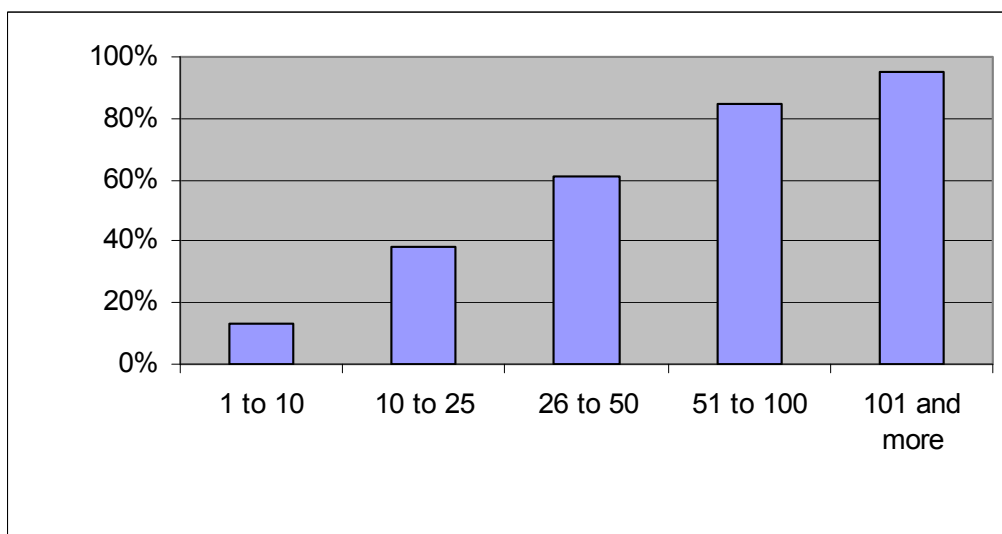
- The internal communication process is not considered and solved systematically in small companies up to 25 employees. Active management organization in the internal communication process is connected with an increase in the number of employees.
- Mostly the meaning of internal communication is dispraised by management. The managers do not comprehend the system complexity of the internal communication process. Firstly, the companies hand external communication, prefer the external partners and do not appreciate the internal partners - employees. The managers often focus on the technical solution of communication, on technical information and the communication infrastructure.

Figure 1 shows the overview of using communication system solution in individual groups according to the number of employees. The figure describes the matter of fact that increasing the number of employees leads to more urgent needs of communication system solution. Unfortunately when the conditions of small organisation make it easier to set system solution, the management do not feel a need to do that and decide to implement system solution after the communication problems occur.



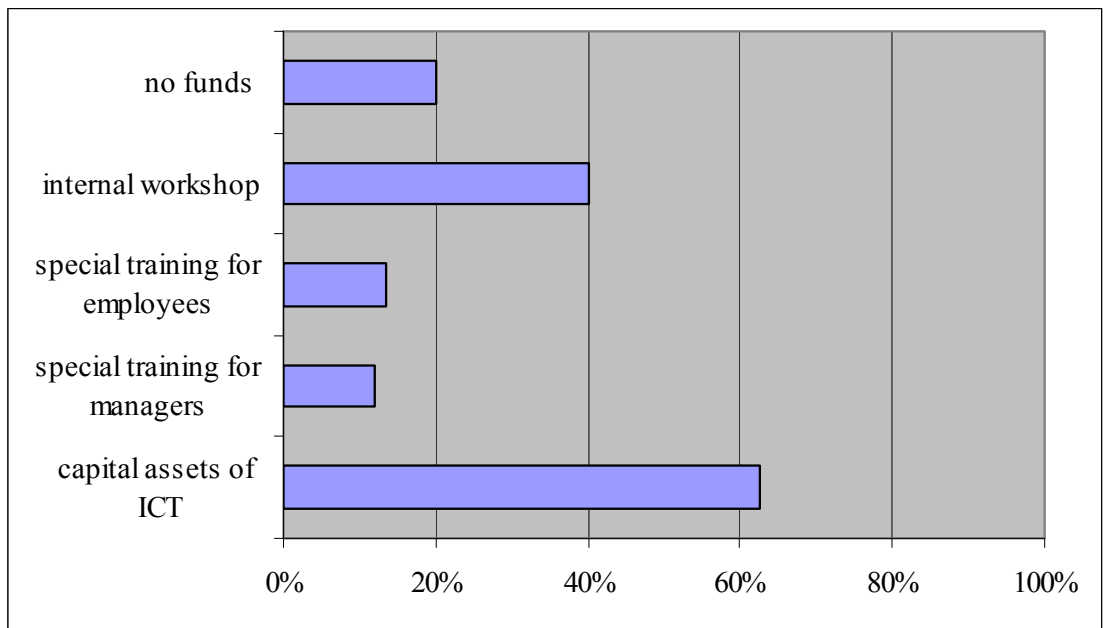
**Figure 1.** Percentage of using communication system solution in individual groups according to number of employees

The intranet could be a very suitable tool of company internal communication. The range of Intranet usage offers is very wide. The intranet can be only a noticeboard for information but it can also be a full-value communication portal which makes the internal communication process more effective. Figure 2 shows how intranet is used in companies which currently use Internet. This figure confirms the matter of fact that the companies are firstly and more interested in external communication than in internal communication.



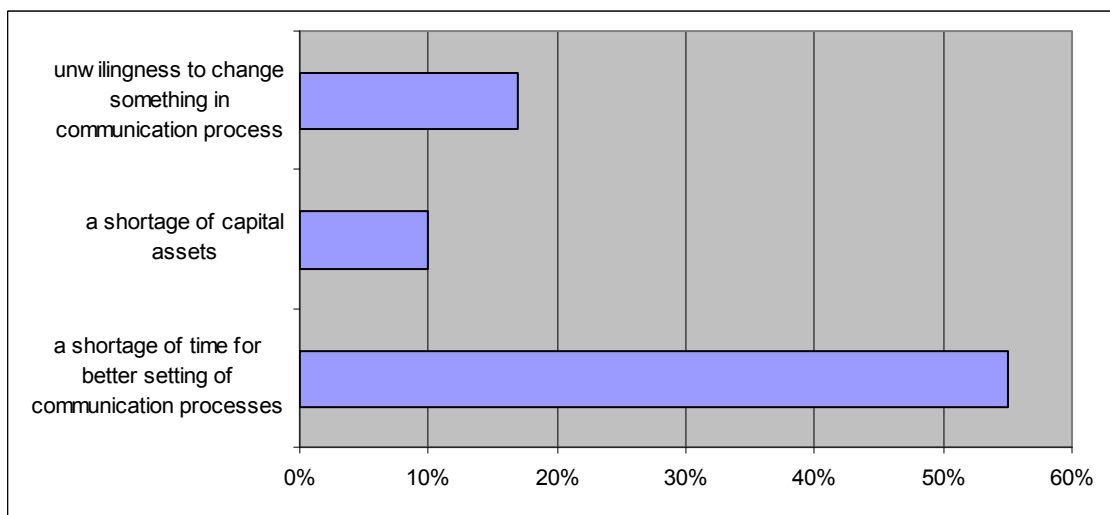
**Figure 2.** Percentage of using Intranet solution in individual groups according to number of employees

The figure 3 illustrates how the companies invest in internal communication - what possibilities (investments) they use. All respondents – companies more frequently feature information and communication technologies (ICT) than other possibilities. The reason is easier setting of ICT than improving managerial communication or creating “company communication strategy”.



**Figure 3.** Percentage of improving use of internal communication possibilities in companies

All figures confirm that the management often underestimate the importance of internal communication. Mostly the management do not know the main content and the most important communication tools. The managers mostly feature that company internal communication needs improving and they also mostly consider the internal communication process very important for company effectiveness but on the other hand they also feature a shortage of time as the main barriers of internal communication. The numbers of figure 4 show what barriers are considered by managers as the main ones. A shortage of time means that the internal communication is not a priority area of management in reality. This fact again confirms that the internal communication is mostly underestimated.



**Figure 4.** Percentage of the most frequent internal communication barriers according managers views

### Conclusion

The Selected result and all results of the internal communication research confirm the expectation of development and statue of internal communication in small and middle-range companies. Often insufficient knowledge and a lack of respect to employees obstruct the improvement of the internal communication process. But effective internal communication is the start and base for the whole company functional and its

prosperity, it is the base of knowledge management which increases the competitive advantage in the hard market environment.

#### Bibliography

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