Factors Influencing Effectiveness of Internal Communication

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Abstract

Purpose: The purpose of the study was to answer the question: “What are the most common factors influencing effectiveness of internal communications faced by Polish organizations?” This article discusses the role of internal communications practices leading to enhancement of organizational performance. In particular, it concentrates on factors impeding the flow of information inside the organization. Later on, the article presents empirical findings.

Methodology: Contemporary public relations, internal communications and employee communications texts have been reviewed to identify how internal communications is defined in literature and how it influences organization success. Relevant existing research was reviewed and primary research was conducted. The latter consisted of 29 in-depth interviews with employees from various Polish organizations.

Results/findings: The article presents interesting results that can be especially useful for internal communications specialists and managers. It is recommended that to gain a fuller picture of the issues underlying the findings, quantitative research with relevant employees should be undertaken.

Keywords: internal communications, internal PR, organizational communication

JEL: M12
Factors Influencing Effectiveness of Internal Communication

Introduction

Firms from all around the globe have been struggling to find new ways to achieve growth, profitability and competitiveness. This has become a tough objective considering the pressures of a globalized economy. There are many ways to accomplish growth such as mergers, acquisitions and joint ventures. However, creating growth from within the organization is still a difficult goal to reach. Internal communications has become one of the most important factors in today’s business world. Employees are often described as “an organisation’s most important public” (Therkelsen and Fiebich, 2003, p. 120) and internal communications as the “first frontier” in the battle for the customer” (Chong, 2007, p. 201) and an “important, challenging area” (Welch and Jackson, 2007, p. 177). By avoiding communications problems, the productivity of a company can be increased. The relation between internal communications and productivity has been subject of numerous surveys and links between good internal communications and organisational success are abundant (Welch and Jackson, 2007; Watson Wyatt Worldwide, 2005/2006; Grunig, 1992; Clampitt and Downs, 1993).

This article discusses the factors influencing effectiveness of internal communications. In particular, it concentrates on factors impeding the flow of information inside the organization. The purpose of the study was to answer the question: “What are the factors influencing effectiveness of internal communications in Polish organizations?” The article presents interesting results that can be especially useful for internal communications specialists and managers.

Internal Communication

More organisations are acknowledging the necessity of internal communications. According to Argenti (1996), contemporary organizations “become more focused on retaining a happy workforce with changing values and different demographics; they have necessarily had to think more seriously about how they communicate with employees” (p. 80). Nowadays management needs to give the internal audience equal attention to those external to the organization (Wright, 1995 in: Dolphin, 2005), and “communications professionals have to recognize the importance of integrating the internal message with those messages communicated externally” (Dolphin, 2005, p. 185).

According to Frank and Brownell, internal communications can be defined as transactions between individuals and groups in organizations at various levels and in different
areas of specialization (Frank and Brownell, 1989 in: Dolphin, 2005). Others define internal communications as “all formal and informal communications taking place internally at all levels of an organization” (Kalla, 2005, p. 304), or “the full range of ways that people communicate with each other within the organization” (Orsini, 2000, p. 31). Internal communications is often described as a core process for organisations (Welch and Jackson, 2007) and one that should be on the agenda for all management strategic meetings (Barrett, 2002). Smith (2005) warns that companies “underestimate the power of internal communications at their peril” (p. 19).

The role of internal communications is “building and nourishing employee relations, establishing trust, providing timely and reliable information and thereby contributing to general motivation, particularly in times of change and stress” (Dolphin, 2005, p. 171). According to Spitzer and Swider (2003), effective internal communications should have three basic objectives (p. 70–71):

1. Information that is communicated to the employee audience is understood and accepted by the audience with respect to the content, intent, relevance, as well as merit of the message;
2. Goals of the communications with regard to motivating, directing, informing, or gaining the participation of the employee audience are achieved among the majority of employees;
3. End result of an improved internal dialogue is achieving improvement in one or more of the core success components: sales, product quality, workforce performance and satisfaction, profitability and ultimately customer satisfaction.

According to Argenti (1998), the goals of internal communications in order of their importance are (p. 201):

1) Creating the sense that employees are an important asset to the organization;
2) Improving morale and fostering goodwill between employees and management;
3) Informing employees about internal changes;
4) Explaining compensation and benefit plans;
5) Increasing employee understanding of the organization and its products, organization, ethics, culture and external environment;
6) Changing employee behaviour toward becoming more productive, quality oriented, and entrepreneurial;
7) Increasing employee understanding of major health/social issues or trends affecting them;
8) Encouraging employee participation in community activities.
According to Watson and Helby, internal communications is an immature (Watson and Helby in: Smith, 2005) but growing specialisation (Yeomans, 2006, p. 333). There is evidence of greater investment: “most organisations have either maintained or increased spending in internal communications in the past three years” (Communicators in Business, 2008).

The role of internal communications is one that is seen to have been undergoing considerable change (Keenan and Hazelton, 2006; Therkelsen and Fiebich, 2003). Its various eras include those of entertaining employees (1940s), informing (1950s) and persuading (1960s) to open communication (1980s to date) (Theaker, 2004). Today’s internal communications practitioners are focused on challenging and stimulating employees, managing change and gaining employee engagement and commitment (Smith, 2005; Tench and Yeomans, 2006). The aim of internal communications has moved from controlling and directing people, through providing information, making announcements and supporting industrial relations, to supporting the development of a flexible work environment that is able to adapt to change, seeks improvement, shares knowledge and know-how, generates ideas and involves people in achieving strategic goals (Keenan and Hazelton, 2006; Smith, 2005).

Daly, Teague and Daly (2003) declared as imperatives for successful internal and organizational communications the following points:

- Communication is a fundamental part in the process of organizing.
- Understanding organizational communications can help in understanding management strategies.
- Senior management should be committed to communication.
- Effective leadership skills should contain communications skills.
- Management should be responsible for conceiving and maintaining the communications system.
- Effective communication should include both written and face-to-face communications.
- Employees should perceive the messages as relevant to them.
- The messages should be consistent with actions.
- Communications skills training can lead to increased effectiveness of the communications system.
- The communications system should always be monitored and evaluated regularly.
- A better understanding of employees’ perceptions of communications problems in their organizations would help managers communicate more effectively.
and improve their ability to promote more effective communications throughout the organization.

Internal communications practitioners need to understand people in organizations (Strauss and Hoffman, 2000). They should be able to gauge an organisation’s communications climate (L’Etang, 2008) and analyse the cultural, political and relational dimensions present within their organisations (Conrad, 1994). Alternative paradigms of culture in management seem to be valid for organizational communications processes as well (Sułkowski, 2009; Sułkowski, 2012). The role of internal communications is varied and multifaceted and demands a range of competencies from its practitioners.

Factors Influencing Internal Communications

Internal communications is often referred to as the lifeblood of the organization. It is a major constituent in any organization. The vast majority of internal problems in organizations are directly related to ineffective internal communications. Poor internal communications ends up affecting other areas of the organization and can result in bad feelings and weak relationships among the employees. Insufficient or inappropriate communications leads to irritation and insecurity. Also, the larger the company, the more factors are disturbing the internal communications. For that reason, detecting the main factors decreasing the effectiveness of internal communications is essential in stopping them from growing out of control. Table 1 presents factors influencing the effectiveness of internal communications.

Table 1. Factors Influencing the Effectiveness of the Internal Communications

| Micro level | 1. Employee (and every member’s) communications competence is probably the most specific and substantial aspect of any human communications system that if developed, conditions the effectiveness of interpersonal communications and consequently decides the efficiency of major organizational processes. It manifests itself in an ability to choose appropriate and effective communications behaviour in every situation and to achieve communication results; it implies knowledge, skills and motivation to communicate. Specifically in an organization, it heavily relies on adequate presentation, negotiation, rhetorical, linguistic, and information organization skills of an individual. |
| - | 2. Personal communications style of all organization members, determined by the communications strategy of a company and its values, results from the development of their communications competence parameters and serves the effectiveness of communications practices. |
| - | 3. Relevant message or information perception and an adequate categorization of information as well as feedback allow effective interaction among communicators. |
### Mezzo level

1. Integration of the communications system and all its subsystems with the goals of the organization, as managers are those individuals who coordinate and control.

2. Leadership and management style (effective distribution and use of information, willingness to communicate, effective vertical communication with feedback and encouraging employee self-awareness), which directly fosters or inhibits communications, especially nurturing real-time communications as opposed to technology-mediated communications.

3. Successful selection of a relevant channel (written vs spoken vs technology-mediated) is of prime importance on all the levels of hierarchical communications among the management of the company; it directly facilitates successful reaching of company objectives.

4. Effective conflict management, that is, open exchange of information, tolerance, and empathy, relevant for all communications process participants, as a prerogative of the management.

5. Effective group communications [skills], such as relevant supply of information, effective listening, knowledgeable information analysis, efficient enquiry and synergy, which allow efficient horizontal communications flows in an organization.

### Macro level

1. Organizational objectives, namely its mission statements valuing communications and communicators, as well as an overall communications strategy, constitute the baseline of communications in an organization.

2. Organizational communications values, for instance, openness of the system, providing and getting feedback, cooperation, valuing informal communications, openness to change, risk tolerance, learning and improvement essentially support the backbone of the company.

3. Strong communications ethics, manifesting itself as harmony between an organization’s external and internal communications, positive affiliations with all interest groups, etiquette knowledge for employees and management also form a communications system background.

4. Identifying and overcoming organizational communications barriers (lack of motivation, information overload, competition, inadequate management style) may resolve large communications issues, sometimes challenging strategic twists in an organization.
Table 1 (Continued)

5. Proper feedback in communications processes is of paramount importance when securing the effectiveness and dynamics of all parameters in the communications system, especially along the lines of vertical communications. Being one of the most influential factors of effective communications, it serves as a propellant of a holistic functioning communications system in an organization.

6. Organizational structure needs to be revised as it is to enable the flow of information, allowing the circulation of messages among communicators and prompt feedback on all the levels of interaction.

7. The determination to create a communications system itself, allowing synergy in interaction, is one of the seminal factors when seeking effective communications.


Research Method

Contemporary public relations, internal communications and employee communications texts were reviewed to identify how internal communications is defined in literature and how it influences organization success. Relevant existing research was reviewed and primary research was conducted (see Table 1). The latter consisted of 29 in-depth interviews with employees from various Polish organizations.

Qualitative research was chosen as the primary research method because it explores attitudes, behaviour and experiences. It attempts to get an in-depth opinion from participants. As it was attitudes, behaviour and experiences that were important in this research, fewer people took part in it. It was exploratory research that aimed to develop suggestive ideas for further research. It was also chosen because the problem was difficult to limit. It is recommended that to gain a fuller picture of the issues underlying the findings, quantitative research with relevant employees should be undertaken. The research methods are presented in Table 2.

Table 2. Research methods used in the study

<table>
<thead>
<tr>
<th>Research method</th>
<th>Type of research</th>
<th>Research sample</th>
</tr>
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<tbody>
<tr>
<td>Desk research</td>
<td>Qualitative</td>
<td>—</td>
</tr>
<tr>
<td>In-depth interview</td>
<td>Qualitative</td>
<td>29</td>
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</table>

Source: own study.
Most respondents were between 25–34 years of age (16) and 35–44 years of age (11). The vast majority of respondents came from subject matter experts (26). The author was aware that the study had only a fragmentary and exploratory character. The majority of respondents came from the training and consulting sectors (6), as well as IT (5) and finance (5) (see Table 3). Because of size limitations of the article, only a few respondents’ answers are cited to represent each problem.

Table 3. Respondent’s organizations – sector view

<table>
<thead>
<tr>
<th>Sector</th>
<th>Number of respondents</th>
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<tbody>
<tr>
<td>Training and consulting</td>
<td>6</td>
</tr>
<tr>
<td>IT</td>
<td>5</td>
</tr>
<tr>
<td>Finance and banking</td>
<td>5</td>
</tr>
<tr>
<td>Industry</td>
<td>4</td>
</tr>
<tr>
<td>Outsourcing</td>
<td>3</td>
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<tr>
<td>Retail</td>
<td>3</td>
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<td>Logistics</td>
<td>3</td>
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</table>

Source: own study.

Research findings

The main factors influencing the effectiveness of internal communications gathered after conducting 29 in-depth interviews are presented in Table 4.

Table 4. Main factors influencing effectiveness of internal communication

<table>
<thead>
<tr>
<th>Factor</th>
<th>Respondents’ answers – ordered with respect to frequency</th>
</tr>
</thead>
</table>
| Information     | One of the most frequently shared observations was the one concerning knowledge sharing. It is often linked with lack of trust. One of the respondents said: “In my company, employees do not share information with each other. Sometimes I have feelings they do not trust each other.” (Respondent 3). Respondent 7 added “The employees do not share information with each other. They do not trust their colleagues. This lowers the productivity of team, departments and company.” Information sharing is important because both information and knowledge change perceptions. “When people have a greater knowledge of their working area, they
Table 4 (Continued)

<table>
<thead>
<tr>
<th>Factor</th>
<th>Respondents’ answers – ordered with respect to frequency</th>
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<tbody>
<tr>
<td>start to think and behave</td>
<td>start to think and behave differently while working. A worker may happily accept that there is 10 kg of waste on their machine at the end of every shift. That same worker, when informed that each kg. of material could cost 10 PLN, may now view that waste differently and take more care to reduce it each day. Sharing this information with people can also help them to feel part of a team and promote a caring attitude in the working day.”</td>
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<tr>
<td>Insufficient amount of</td>
<td>It is worth stressing that companies often find it problematic to share information with all necessary employees. Respondent 2 said “Employees do not share information between each other. It is very important to me because I am a member of nightshift and very often the dayshift do not pass information to us. That causes many problems, as during the night we cannot contact some of the depots and suppliers. For instance, a supplier has phoned the office and spoken with the tracker (person who tracks vehicles and is responsible for customer service over the phone) regarding cancelling collection; the information was passed to the shift manager. However, he has not informed the night planner, who still sent the driver to collect the trunk. The driver arrived at the customer’s premises and realised the place was closed (fuel wastage).” Respondent 5 added “Important information should be sent to everyone who needs to know and that everyone will receive this information; however that is not the case in my organization. The information usually doesn’t reach all involved people, sometimes just because they are not using those methods of communication on regular basis (e.g. email that isn’t read by front-line workers).”</td>
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<tr>
<td>information</td>
<td>In the era of new technologies, it seems very important to employees to be able to share information face-to-face. Respondent 9 said “Face-to-face meetings with management don’t happen as often as needed; instead they use emails, cell phones, text messaging, letters, but they are not as effective as communication during meetings, where people are able to ask questions or exchange information.”</td>
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<td>There are also many problems connected with technologies. Respondent 18 said “Contacts being removed from chain emails. Sometimes by accidently clicking “reply” button instead of “reply to all” and sometimes by people using their own initiative and removing contacts they think should not be on an email chain.” Respondent 23 added “The biggest issue what I can think of is updating all staff about new product offers and system updates. We do have our interchange website where we can find all updates and we should check this on the daily basis. However it would help a lot if this information could be cascaded to the lower level in the connections managers meeting. As I am working for the company where customer service is vital so we do have to communicate between each other very clearly and with no mistakes.”</td>
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<td></td>
<td>Last but not least, the most prosaic problem is the assumption that employees will somehow receive the message. Respondent 28: “Employees not being informed. This mistake is assumed that everyone will receive this information.”</td>
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Employees very often complain that they do not get enough information. Respondent 14 said “Among the most trying elements of poor communication in my workplace is a lack of information for the proper accomplishment of the tasks necessary within the business. Even in today’s information overload society, employees often lack...
the information they need to do their jobs. They may have the data that they require from external suppliers. However, it is the information that their supervisors and co-workers have, but have not properly shared, that remains unsaid.” Respondent 26 added “Often the information that reaches the employee is insufficient to meet the goal and to end tasks correctly — especially if a subordinate is doing it the first time without training.” Respondent 11 said “My company is divided into two parts — where the first one (office) is based in central Warsaw and the other one (warehouse) is 1 hour away from the office. This situation causes so many problems in effective communication. The main one is lack of understanding over the task caused by insufficient information. All the major managers are in central Warsaw, so because of that, they have less chance to check up on their employees at the warehouse. Misunderstandings frequently occur simply because of that situation.”

| Not valuing communication | One of the most problematic areas mentioned by almost all of the respondents was neglecting the role of internal communication by the management. Respondents 7 said “Frequent problem is managements’ not really valuing communications or assuming that it just happens. So they’re not aware of what they told to whom — even when they intended for everyone to know the information.” Respondent 3 said: “In my workplace, the biggest problem is communication. It is failing on many levels, if not on all.” Despite that companies use many channels, it is the combination and adjustment that matters. Respondent 21 said “I work for a distribution company that employs about 250 people. There are dozens of communication channels like briefs, phones, email, meetings, face to face, etc. and ironically I found communication is the biggest issue.” |
| Time | Most of the respondents believed that the big problem with internal communications was not delivering information on time. Respondent 14 said “Also we do not receive the information on time, which slows the decision-making process and projects that we are supposed to carry on”. Respondent 24 added “The information is not getting to employees when and where they need it. Without vital information at the right time and in the right place”. Respondent 27 said “Urgent issues are not passed as fast as I would like or as fast as it would be by talking person to person.” Respondent 9 said “People are not aware of who the email should be sent to. For example, if someone doesn’t really know who should be the person, they should send it to include a couple of people. Therefore on some occasions, people do tend to wait until someone else responds first.” Respondent 8 said “One of the very few that I can think of is too little face-to-face communication. Most of the important news and issues are being sent over via email, which obviously has its own benefits but sometimes the message would not hit every individual on time.” |
| Hierarchy | Another problematic area concerning internal communication is the hierarchy. Senior management is often not willing to communicate with lower rank employees. Respondent 5 said: ‘The senior management team does not discuss expectations with Head of departments. They don’t have the same operations or they don’t agree on how to reach strategic goals. Because of this, employees do not have clear goals and benchmarks to guide them through the process.’ Respondent 21 added “Senior management does not discuss their vision for the future of the organization with employees. There is no sense of a shared direction toward which everyone is striving. This does not inspire employees to do their best way.” |
Table 4 (Continued)

<table>
<thead>
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<th>Factor</th>
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<tr>
<td>Management often avoids meeting with staff. Respondent 18 said “Managers are avoiding meetings with staff. When a mistake appears, they prefer to send an e-mail regarding the problem, although we all sit at the same office. It is not motivating and the problem is not solved as there is no discussion or explanation (that could cause repetition of the mistake and lack of understanding of wrong decision).” Respondent 4 said “People in higher positions struggling to accept that someone with lesser industry knowledge can come up with solutions or know more than them.”</td>
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<td>Lack of feedback</td>
<td>Another problem area of internal communications is the lack of feedback. Respondent 3 said “We don't get any feedback from managers. Sometimes we get more information from the customers, who tell us about service which we provide, how they feel about it, what they would like to change, etc.” Respondent 12 said: “It would be good to receive feedback from a manager and to know whether he is happy or not about the work that we do”. Respondent 29 said: “Management rarely evaluates employees’ work. Not only would that positively motivate people, but also in terms of correcting mistakes and providing guidelines.”</td>
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<td>Too much information</td>
<td>Often, an excessive amount of information creates a big problem for employees. “The biggest problem is the amount of emails I have to go through every day. Unfortunately, at least 30% of them are not fully applicable to me. Normally the sender just put all the names within the sales team as recipients. It is the easiest and quickest solution but some of us are working in a different sales environment and certain information is vital for some of us, but junk for others” said respondent 22. Respondent 7 added “You need to go through the whole email and half way realize it is no use for you. All other emails are very helpful with up-to-date information with proposed solutions and approaches to related subjects.”</td>
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Source: own study.

**Discussion**

It must be stressed that all of the respondents understood the role of internal communications very well. Here are two of many examples illustrating this. One of the respondents said: “It is not a surprise that internal communications is vital for any organization. If managed effectively, it could be a binding tool that enhances employee morale. However, it is often being neglected by many companies, including mine.” The other respondent added “I came to the conclusion that communication problems are at the heart of many workplace problems and the end result is loss of trust, team work and productivity.”

There are many factors that can lead to poor communications within an organization such as transmission problems (ex: one-sided communication processes), suppression
Factors Influencing Effectiveness of Internal Communication

of information, mistakes in what is communicated, rumours, type of language used and purposeful distortion. Moreover, employees may misinterpret the information they are given.

The research showed that there are several factors decreasing effectiveness of internal communications. First, communications is often seen as something that simply occurs in the organization and does not need any serious consideration or investment. Second, there is also a visible problem with information sharing. As the research showed, it is clearly linked with lack of trust, which in the case of Poland is a cultural phenomenon connected with the country’s turbulent history.

Another visible factor was the excessive amount of information shared. Smythe argued that nowadays, because the context of internal communications is changing, the challenge is not only managing channels and using more channels, but also reducing communications pollution and disciplining the torrent of information from management to increase individual understanding (Smythe, 1996). On the other hand, insufficient information also seems to be an important factor that reduces the effectiveness of internal communications. According to the employees, the most effective way of communicating is through meetings and e-mail. The most ineffective mediums are considered the memos and the casual conversations. Employees want to know as much information as possible to minimize uncertainty. However, the type of information that is transmitted by management and the manner in which information is transmitted are key determinants.

Another problem is the use of the traditional hierarchy model of internal communications in which information trickles down from top management to the bottom of organization. Although this is the typical way through which many businesses disseminate important information, the hierarchy model is fraught with problems such as loss of information, slow distribution or misplaced data. Another important thing is that most of the respondents declared that the supervisor is the key communicator in an organization, so employees expect to hear official and important information from their direct supervisors. However, far too often, it happens that employees hear information, sometimes contradictory, from different sources at the same time. That leads to confusion, mistakes, irritation and anger.

Respondents often mentioned the lack of feedback. Whichever channel managers choose to communicate with employees, they must take into consideration that communication must be a two-way process. Communications theories state that effective communication depends both on employees getting the message as it was intended
by the management and the feedback loop, which enables both groups to check for understanding.

Summary

Internal communications is an important need in today’s organizations (Grandys and Grandys, 2011). It is not only the core of branding from the inside out but the internal communication processes should address issues related to strategy, processes, people, structure and rewards. The human resources function can help in achieving sustainability if the human resources strategies for employee development are carefully communicated. Top management has to work closely with all managerial levels. The soft skills, which are as important as hard skills, have a lead role to play in this regard. Measures need to be taken to bridge the gap between managerial hierarchies to leverage the internal knowledge for competitive advantage. Employees have to be motivated to be value creators instead of being workers for the organization. All this requires clear communications between all levels of the management. Through the careful design of communication processes in an organization, human resources people can drive this clarity and bring sustainability by providing the workforce with opportunities for sharing and learning in teams.

This study adds value to the field of internal communication by answering the question about the most common factors influencing effectiveness of internal communications faced by Polish organizations. As the empirical results showed, effective internal communications practices lead to enhancement of organizational performance. Effective internal communications can improve the effectiveness of the whole organization. The more adequate information that people have, the more quickly they get it and the better connections they have with others in the organization, the better the work of the organization gets done, and the better jobs individuals do. It also leads to them feeling better about their jobs and about the organization itself. The ultimate beneficiaries of all this are the clients, the community, and the company, which finds itself with efficient and committed employees, satisfied clients and community respect. This article present interesting results that can be especially useful for practitioners such as communications or public relations managers who focus on communications in the workplace as well as for theorists and researchers.
References


