

RESOURCES OF APPROPRIATE MANAGERIAL INTERNAL COMMUNICATION FUNCTIONING

Marie Stepankova – Metodi Koralov – Sarka Bendova – Marie Snajderova
– Radka Lankasova

Abstract

To assure the company functioning in an appropriate way, the internal communication is a must. In order to gain information about the organization of the internal communication among 3,000 employees, we addressed the company managers in different positions to reply to our questionnaire. Their task was to reply to what information they receive and by which communication channels. The target group involved 200 managers, out of them 116 responded. It was a group of managers working in a big power company in Bulgaria. Managers in different managerial levels evaluated 12 major information resources based on the AIMQ methodology together with a few additional questions related to their communication.

The outputs demonstrate significant deviations among individual information resources, their applications together with their trustworthiness as well as deviations among individual information resources related to hierarchical levels of managers.

These findings imply that miscellaneous information is necessary to be disseminated by differentiated informational channels intended for diverse target groups.

On basis of such an internal research, the company modified the form of its internal communication.

Key words: internal communication, communication channels, managerial effectiveness

JEL Code: J53, M14, M59

Introduction

Enhanced scope of information and provision of its effective acceptance by employees who need it is a crucial measure to secure that the company has been managed in a successful way. We have been investigating 116 managers in the presented research who assessed 12

types of informational resources by qualities stipulated by the AIMQ model together with a few additional questions. Results demonstrate significant differences in ratings of various information resources as well as differences in dependence on managers' hierarchical levels. Thus, we wish to demonstrate how fundamental for the company is the importance of communication as an essential factor in the performance of an organization, and how managers' methods of communicating things can affect their employees (Todericiu, R., Stăniț, A., 2012).

1 Theoretical Background on Communication and Managerial Functions

1.1 Definition of Internal Communication and Managerial Functions

Communication has got an essential influence on the whole company functioning, it is a tool enabling how to flourish, and it is an elementary element of the corporate management. And it is the communication which becomes very often an entirely dispensable weak point, unless the company management is aware of the fact how significant tool the internal communication is. The most frequently we can meet the internal communication in the real practice as a tool to influence employees' attitudes. Employees form a vital interest group for the organization. In fact, it means that the organization fully benefits from communications is one in which the communications function is strategically aligned with business objectives. Trust and reputation go hand in hand, and research confirms that a company's relationship with its employees on the inside has everything to do with its reputation on the outside. Communication bridges the gaps. Trust of corporations is eroding and adding to management challenges. Organizations that treat employees well - and keep them informed – build stronger internal morale and external reputations (Grossman, 2010).

The role of the manager in the organizational communication process has increased. On one hand, the manager is the one who is dealing with processing internal and external information, and, on the other hand, the manager communicates this information to his/her subordinates (he/she is a disseminator) and to the ones outside the company (he/she is a spokesperson). In this context, on the road towards an increased efficiency, an organization needs to handle continuously internal and external communication with the aim of improving and perfecting it (Zelter, 2011). Grossman together with Zelter both aim to the statement given by Nicholas who quotes the following: "The goal of managerial communication in any organization is to make accurate information, efficient and effective both vertically and

horizontally to achieve optimal use of internal and external requirements and in accordance with established managerial and organizational objectives." (Nicholas, 2006) Nicholas actually emphasizes how well-transferred information in both directions either vertically, or horizontally, can secure and optimize both types of requests and harmonize them with hierarchy and targets of organizations in any times. Michael Porter claims that successful companies differentiate themselves through the way they know how to re-create value in times of crisis (Todarida, E. T., et al., 2009). Although the organizational values can also be communicated by various other organizational members, it is the managerial communication that plays an indispensable role in the creation and maintenance of organizational values (Malbasic, I., Brcic, R., 2012). Values form the organizations and in case the organization functions well, the employees share its values as an implication of such processes. The reality is that everything leaders do communicates - whether they want it to or not. Even how they spend their time, what they focus on, who they interact with, the employees they recognize, and so on (Grossman, 2010).

Dasgupta, Suar and Singh support the theory in saying that through the optics of social exchange theory and organisation support theory, the passive, aggressive, and assertive styles of managers influence perceived managerial support to the employees. The problem indicated hereinafter aims to a question, whether the support increases employees' satisfaction with the communication of supervisors and their organisation-based self-esteem. It also assesses whether employees' communication satisfaction and their self-esteem influence employees' performance, commitment and absenteeism. On the basis of their research, they revealed that assertive style of communication lends maximum support to employees. Perceived supervisory support at the workplace enhances employees' satisfaction with communication of supervisors and organisation-based self-esteem. Satisfaction with communication fosters a strong emotional bond with organisations and the emotional bond with organisations reduces employees' absenteeism. The paper shows that employees' organisation-based self-esteem increases their job performance. Organisations can conduct training programs to develop an assertive communication style in their managers to increase the support to subordinates (Dasgupta, S. A., 2013).

1.2 Hypothesis

When we discussed our hypothesis, we came out from the point that direct and personal approaches will be highly appreciated, and the subject will thus put on it much more

importance, or a weight. So, we expect that informational sources identified as “direct superior” and the ones given as “email” will be rated rather high, and other sources classified as “media” will be rated rather low. Our principle essence plainly insists on the fact that personal information has much more greater impact compared to a general message.

2 Methodology

As a framework of our research we have chosen the AIMQ model developed by Mr. Lee and his collective of authors (Lee, Strong, Kahn, & Wang, 2002). This particular research comprises 15 categories enumerated below:

1. Accessibility, 2. Appropriate Amount, 3. Believability, 4. Completeness,
5. Concise Representation, 6. Consistent Representation, 7. Ease of Operation,
8. Free-of-Error, 9. Interpretability, 10. Objectivity, 11. Relevancy, 12. Reputation,
13. Security, 14. Timeliness, 15. Understandability.

There is not any particular information being assessed for goals of our research, but informational resources. Therefore, only a small fraction of the total list of AIMQ categories was selected and adjusted in order to evaluate it as a representative carrier of the information.

Categories applied in our research are as follows:

- Preference (a preference grade) of the given information resource preferred to the other resources;
- Correctness/reliability (credibility) of the information resource;
- Perceived importance (sensed importance) of the information resource;
- Frequency of use – how often it is applied as the information resource and by the recipient of information;
- Relevancy in relation to the importance of events in the company;
- Information dissemination from the information resource to its recipients who are in need of it.

2.1 Research Limitations/Implications

Limitations we got a view of were based mainly in the fact that the research was executed merely in a single organization. Then, the company we intend to identify as the Company 2 comprises mostly of male employees – men, primarily. The limitation we

consider of a crucial importance features the amount of two hundred managers. We received answers of a little more than half of them. Hypothetically, if we would have gathered answers nearly from the other half of respondents, then it could change the shape of the results. So, the implication in the field of social desirability shall not be controlled enough.

2.2 Practical Implications

The company where the research was conducted was passing through a difficult time, which we could even call a crisis, indeed. The employees were not well tempered and even managers were scared, rather pessimistic, uncertain of what and how to accomplish their duties, they were ineffective. In that time, the senior managers preferred to “keep low profile”, they aimed to hover round instead of giving out any information. This particular behaviour caused an increased tension in the organization.

Our research showed that positive messages brought through the means of media such as television and newspapers are not sufficient and that what low level managers and employees need is a more personal and direct approach.

2.3 Originality/Value

Our recommendations were taken into account by the company top management, meetings were organized to instruct employees, and the tension contained. In a broader context, high management should be advised to communicate in a direct and a personal approach every possible time there is an important decision to take, or implement, and in any critical situations.

3 Empirical Research Part

3.1 Questionnaire and Data Collection in the Procedure

We have arranged a request to execute our research with the Top Management of the company. A total number of 116 managers out of 200 have finally participated in it. The research request was delivered to the addressed managers via their company emails and they replied to it via the Google Questionnaire. They were given a week deadline set up to fill it in.

3.2 Subjects and Participants

The total of 116 managers from two companies of the group participated in the research. The first company is a servicing SLA company, it is a kind of the support and intelligence source

of the company (hereinafter referred to as the Company 1), which entirely manages documentation, finance, IT, HR, projects, etc. The second company is a manufacturing plant (hereinafter referred to as the Company 2) generating its own activities and being a reason why the company has been operating in the market.

Organizational structure of both companies is identical in terms of the hierarchical levels. There are 6 of them structured in the following way:

- TOP management
- M-1 = TOP Management – 1st level
- M-2 = TOP Management – 2nd level
- M-3 = TOP Management – 3rd level
- M-4 = TOP Management – 4th level
- Executive staff

Participants of our research originate from hierarchical levels of M-1 to M-4. Their division is depicted in the Table 1 below.

Tab. 1: Research Participants

Research participants were distributed in terms of the hierarchy and companies taking part in the research. Company 1 is a servicing SLA company, Company 2 supplies real performance services to its clientele.

Table 1: Research Participants' Distribution in terms of Hierarchy and the Company

Managerial Levels		Company		
		Company 1	Company 2	Total
Level	M-1	23	7	30
	M-2	29	12	41
	M-3	14	15	29
	M-4	5	11	16
	Total	71	45	116

Source: Ultimate Data Analysis

Results

Data arising from the assessment of the research participants on a variety of information resources was processed by the Factor Analysis method. There are three factors resulting out

of it, which integrate information resources in a way pointing out to their internal meaningful interconnection:

Official Direct Information that shall comprise resources such as:

1 – Direct Superior, 2 – Senior Manager, 3 – Email, 4 – Web Site

Official Indirect Information that shall comprise resources such as:

5 – Information Signboard, 6 – In-house Journal, 7 – In-house Newspaper

Unofficial Information that shall comprise resources such as:

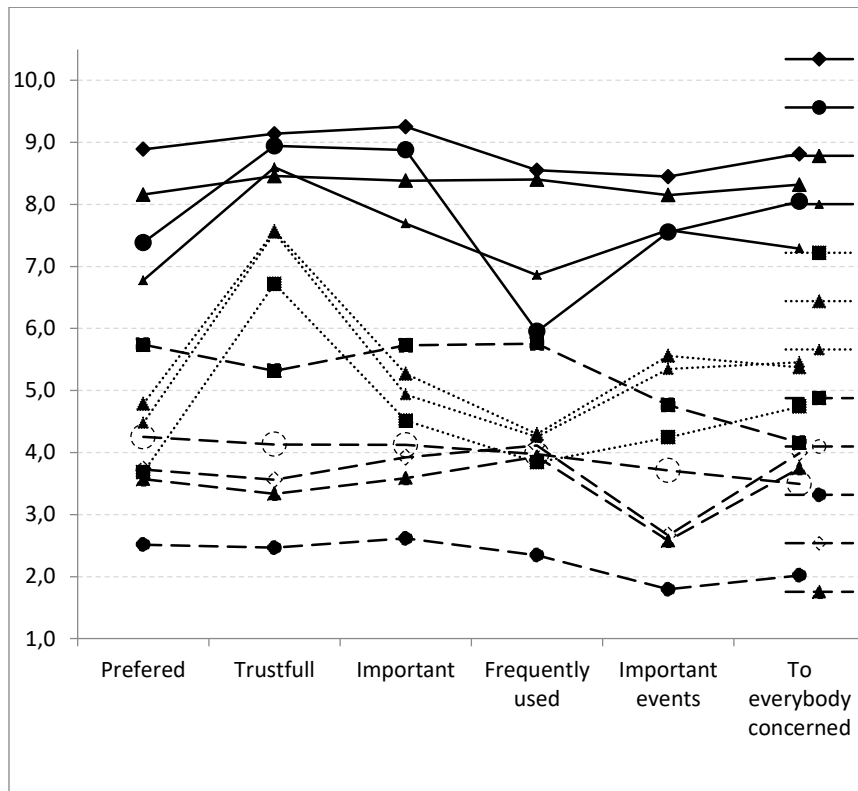
8 – Colleagues, 9 – Internal Unofficial Information, 10 – External Unofficial Information, 11 – External Passive Information Resources (TV, newspapers), 12 – External Active Information Resources (social networks, topic groups in the Internet)

Fig. 1 was created to provide a better transparency where each of the factors from information resources has been indicated in its own way. Thus, it is obvious that resources of the factor identified as the Official Direct Information were positioned the highest in ratings in terms of hierarchy and trustworthiness. The only exclusion shall be represented by the indicator of the Senior Manager position due to its frequency application. It proves logical that the position of the Senior Manager shall not be utilized to such extent compared to the position of Direct Superior.

Below in the Fig. 1 we can perceive a generally lower rating. Official Indirect Information depicted in dotted line expresses how it approaches resources from the group of Official Direct Information in the indicator Trustworthiness, though it is less prioritized and less applied, and participants consider them less important, as well. We can see a potential cause of such a status in the fact that these resources have their limits in time and timeliness. So, they are unable to provide information fast enough compared to information originated from the previous group.

The resources of the factor identified as the Unofficial Information received the lowest values possible. Their general shortage considered can be expressed as a lower trustworthiness, insufficient dissemination and a general unreliability of such information, which can prove false, incomplete, or biased. Thus, there is not any possibility to stipulate that information would reach all receivers, i.e. people who need it.

Fig. 1: Informational Approaches to Corporate Information Transparency



Source: Ultimate Data Analysis

Explanatory Note:

Official Direct Information

1 – Direct Superior, 2 – Senior Manager, 3 – Email, 4 – Web Site

Official Indirect Information

5 – Information Signboard, 6 – In-house Journal, 7 – In-house Newspaper

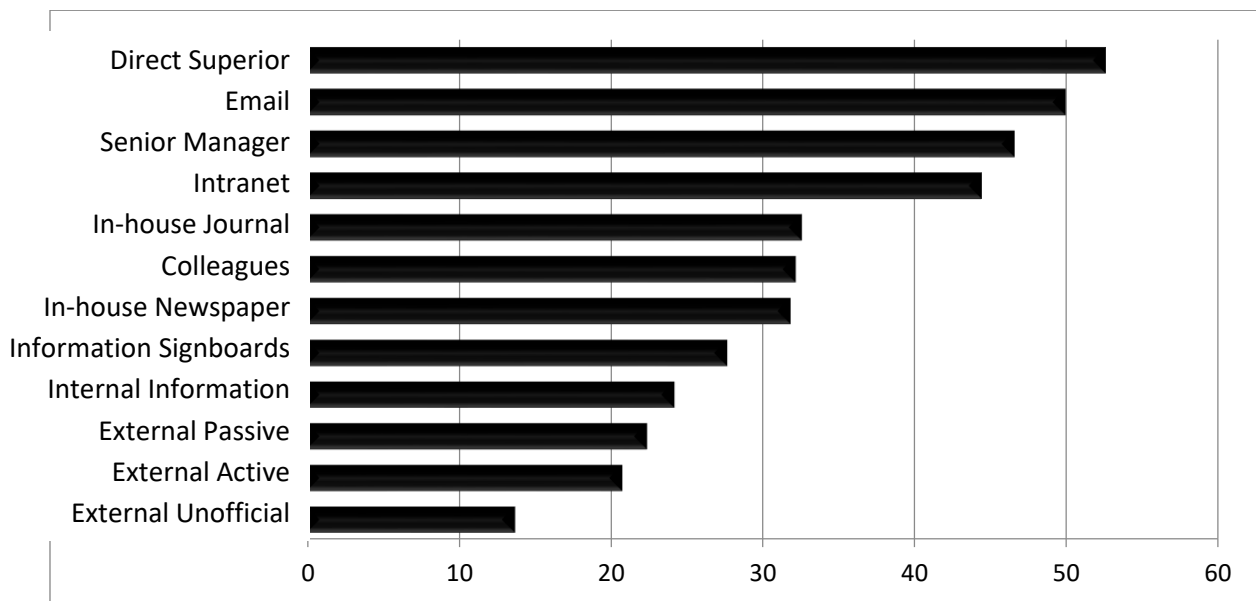
Unofficial Information

8 – Colleagues, 9 – Internal Unofficial Information, 10 – External Unofficial Information, 11 – External Passive Information Resources (TV, newspapers), 12 – External Active Information Resources (social networks, topic groups in the Internet)

Information Resources Rating

Generally, we aligned resources of information on basis of the sequence of replies into the Fig. 2 depicted below.

Fig. 2: Information Resources by the Sequence of Replies



Source: Ultimate Data Analysis

Conclusion

Acquired results provide a picture, which we are familiar with and which is logical. Though, we are given a reason to reflect upon it. An essential conclusion for us is that regardless the dependence on how much the telecommunication technologies are prioritized, and regardless the fact how much we got used to working with them without any dependence on how much limited is the time of leaders on middle and higher hierarchical levels, there is anything less fundamental as a personal contact and the attitude. These two findings should be respected as a primary working method or as a certain labour ruler – every single principle piece of information should reach employees not only via a designated channel in writing, but mainly via a live contact with employees' leaders.

This specific approach should be exceedingly significant in the situation of a crisis independent on the fact, whether it is in-house, or it affects clients, as well. An official demonstration of the leader, aspiration and motivation to engagement, acceptance of accountability could actually minimize damages of the crisis. Attempts to circumvent the problem, to inform people in an inadequate informational channel can deteriorate the whole situation even though such procedures are considered in compliance with the corporate rules. Last but not least, it is necessary to notice that merely early and official information imparted by a familiar and authentic resource can have an effect on gossips and disinformation disseminated always without any respect to the size of the organization.

Ultimately, we must highlight a single general observation, which we came to. Current managers who wish to become leaders for its people must have qualities not only such as expertise and experience, but must be talented skilful communicators, human beings who inform properly and in time. Thus, they will definitely participate in the all company efficiency growths.

References

Bendová, S., Štěpánková, M., & Koralov, M. (2015). Employee Engagement and Satisfaction Dependency on Employee Gender. Presented at The 9th International Days of Statistics and Economics, Prague, Czech Republic. Retrieved from https://msed.vse.cz/msed_2015/article/172-Bendova-Sarka-paper.pdf.

Dasgupta, S. A., Suar, D., & Singh, S. (2013). Impact of managerial communication styles on employees' attitudes and behaviours. *Employee Relations*, 35(2), 173-199. doi:<http://dx.doi.org/10.1108/01425451311287862>.

Gershkov, A., Li, J., & Schweinzer, P. (2016). How to share it out: The value of information in teams. *Journal of Economic Theory*, 162, 261–304. <http://doi.org/10.1016/j.jet.2015.12.013>.

Grossman, D. (2010). You can't not communicate. Proven Communication Solutions that Power the Fortune 100. Author House: Chicago, USA. ISBN 978-1-4490-4078-9.

Lankašová, R. (2015). Mediation as a conflict management tool in companies. Presented at The 9th International Days of Statistics and Economics, Prague, Czech Republic. Retrieved from https://msed.vse.cz/msed_2015/article/158-Lankasova-Radka-paper.pdf.

Lee, Y. W., Strong, D. M., Kahn, B. K., & Wang, R. Y. (2002). AIMQ: a methodology for information quality assessment. *Information & Management*, 40(2), 133–146. [http://doi.org/10.1016/S0378-7206\(02\)00043-5](http://doi.org/10.1016/S0378-7206(02)00043-5).

Legnerová, K. (2012). *Rozvoj vůdcovství*. University of Economics, Prague, 4 W. Churchill Sq., Prague 3, 130 67. Retrieved from <http://www.vse.cz>. Retrieved from <http://www.nusl.cz/ntk/nusl-200011>.

Legnerová, K., & Pecáková, I. (2015). Leadership Challenges. *LÖSTER, Tomáš, PAVELKA, Tomáš (Ed.). The 9th International Days of Statistics and Economics Conference Proceedings [Online], 2015(9)*. Retrieved from http://msed.vse.cz/msed_2015/article/19-Legnerova-Katerina-paper.pdf.

Malbasic, I., & Brcic, R. (2012). ORGANIZATIONAL VALUES IN MANAGERIAL COMMUNICATION*. *Management : Journal of Contemporary Management Issues*, 17(2), 99-118. Retrieved from <http://search.proquest.com/docview/1287414347?accountid=17203>.

Michnik, J., & Lo, M. C. (2009). The assessment of the information quality with the aid of multiple criteria analysis. *European Journal of Operational Research*, 195(3), 850–856. Retrieved from <http://doi.org/10.1016/j.ejor.2007.11.017>.

Palíšková, M. (2009). *Trh práce v Evropské unii (historický vývoj, nové tendence a perspektivy)*. University of Economics, Prague, 4 W. Churchill Sq., Prague 3, 130 67. Retrieved from <http://www.vse.cz>. Retrieved from <http://www.vse.cz/vskp/eid/39230>.

Stritesky, M. (2014). New HR Organizational Structures in Czech and Slovak Organizations. *Procedia - Social and Behavioral Sciences*, 110, 130–139. Retrieved from <http://doi.org/10.1016/j.sbspro.2013.12.855>.

Štěpánková, M., Bendová, Š., & Koralov, M. (n.d.). EBSCOhost | 111993691 | The Case of Research Aspects Arising from Employee Satisfaction and Engagement for the Benefit of the Employer. Retrieved from <http://eds.b.ebscohost.com.zdroje.vse.cz/abstract?site=eds&scope=site&jrnl=18045650&AN=111993691&h=f%2bTWnWkcL9zVlvyWRphwxcGEYg0iOOVy44Im6ykVbHca1LhwX6wfDEZoNF0Gx%2bsxjavbGVK5loNjCe4kITHRIw%3d%3d&crl=c&resultLocal=ErrCrlNoResults&resultNs=Ehost&crlhashurl=login.aspx%3fdirect%3dtrue%26profile%3dehost%26scope%3dsite%26authtype%3dcrawler%26jrnl%3d18045650%26AN%3d111993691>, 2015(11), p48–59. 12p.

Štěpánková, M., Bendová, Š., Lankašová, R., Koralov, M., & Nikolova, T. (2015). Employee Engagement and Satisfaction Dependency on the Size of the Location they Work In. Presented at the 9th International Days of Statistics and Economics, Prague, Czech Republic. Retrieved from https://msed.vse.cz/msed_2015/article/167-Stepankova-Marie-paper.pdf.

Todarita, E., & Ranf, D. E. (2009). THE NECESSITY AND EFFICIENT USAGE OF MANAGERIAL COMMUNICATION WITHIN ORGANISATIONS DURING CRISIS SITUATIONS. DRAWING-UP THE CONTENT OF A CRISIS PLANNING. *Annales Universitatis Apulensis: Series Oeconomica*, 11(2), 796-804. Retrieved from <http://search.proquest.com/docview/763421618?accountid=17203>.

Todericiu, R., Stăniț, A. (2012). Managerial communication and its influence on organizational performance. Presented at The Proceedings of the INTERNATIONAL MANAGEMENT CONFERENCE, 2012, vol. 6, issue 1, pages 317-322. Retrieved from <http://conference.management.ase.ro/archives/2012/pdf/39.pdf>.

Zelter, C. D. (2011). Comunicarea organizațională – premisa eficienței și eficacității organizaționale (doctoral dissertation, University of Babes-Bolyai, Cluj-Napoca, 2011). *In Proceedings of the 6th International Management Conference "Approaches in Organisational Management"*, 15-16 November 2012, Bucharest, Romania. Retrieved from <http://conference.management.ase.ro/archives/2012/pdf/39.pdf>.

Contact

Marie Štěpánková

University of Economics, Prague, 4 W. Churchill Sq., Prague 3, 130 67, Czech Republic

Faculty of Business Administration

Department of Human Resources Management

Email: mastepank@gmail.com

First and last name of co-author (s)

Metodi Koralov, PhD.

New Bulgarian University, 21 Montevideo, 1618 Sofia, Bulgaria

Department of Cognitive Science and Psychology

Email: mkoralov@nbu.bg

Šárka Bendová

University of Economics, Prague, 4 W. Churchill Sq., Prague 3, 130 67, Czech Republic

Faculty of Business Administration

Department of Human Resources Management

Email: bendovasa@seznam.cz

Marie Šnajderová

University of Economics, Prague, 4 W. Churchill Sq., Prague 3, 130 67, Czech Republic

Faculty of Business Administration

Department of Human Resources Management

Email: mariaschn@seznam.cz

Radka Lankašová

University of Economics, Prague, 4 W. Churchill Sq., Prague 3, 130 67, Czech Republic

Faculty of Business Administration

Department of Human Resources Management

Email: Radia@seznam.cz