Internal communication: relationship between company and workers, a case study

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ABSTRACT: This article presents the results of a case study of a synthetic leather company in Novo Hamburgo (Rio Grande do Sul), aiming to discover the perception of its workers regarding the firm’s internal communication and the possible relationship with the different sectors of those interviewed. A questionnaire was given to the employees in various sectors of the company and their responses were analyzed and compared to the findings reported by other authors in similar studies. The results show that communication is determined by emotional, psychological and situational factors, as well as personal perception, all of which should be considered in the communication process.

Keywords: Internal communication; strategy; organization

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1. INTRODUCTION

Companies need to achieve excellence to survive in today’s increasingly competitive market. One of the key aspects of organizational excellence is effective internal communications with workers, which is fundamental for efficiency and to achieve the results sought.

The aim of this study was to identify, based on responses to a questionnaire, the perceptions of employees regarding the information received from the company and their comprehension of this information. Successful internal communication is based on establishing good interaction, so that the messages conveyed can be transformed into effective actions to achieve goals.

2. COMUNICATION: DEFINITIONS

In business organizations, just as in society as a whole, communication is a task that involves all and is present at all moments. Where human life exists, communication does also, making it of fundamental importance in the labor relations within companies.

For Brum (1994, p. 22), “communication is the action of making an idea common, of coexistence, a feeling of connection between people. Communication is human and social.” Good communication facilitates reaching the firm’s objectives, resolves problems, avoids conflicts, creates integration within the organization – both horizontal and vertical – and solidifies the relations between workers and managers.

According to Chiavenato (1997, p. 181),

[...] communication is the exchange of information between individuals. For this reason, it is one of the basic processes of human experience and social organization. Communication requires a code to formulate a message and send it in the form of a sign (such as sound waves, printed letters, symbols) by means of a determined channel (air, wires, paper) to a receiver, who decodes it and interprets its meaning.

Failure to communicate within a company is painful for the people involved and can weaken it, by causing wasted effort and resources, jeopardizing the firm’s very survival.

Further according to Chiavenato (1997, p. 182), communication is an administrative activity with two main purposes: “to convey the information and understanding necessary for people to do their jobs properly and to instill the attitudes necessary to produce motivation, cooperation and job satisfaction.”
Conflicts can arise in organizations, especially when resources must be shared or when those involved in a communication process (sender and receiver) have different purposes.

According to Stoner & Freeman (1999, p. 388), “management time is largely spent on communication, face-to-face, electronic or telephonic, with subordinates, peers, supervisors, suppliers or customers.” Therefore, the communication process should be organized and considered from a strategic standpoint, because it fundamentally contributes to attaining the goals established by the company.

According to Tayer, cited in Kunsch (2003, p. 69), “it is the communication that occurs within [the organization] and the communication between it and its external environment that define [it] and determine the conditions of its existence and the direction of its movement.” The results and structure of an organization are directly linked, and both the structure and results depend on successful communication, so that information flows in the best way, allowing all to know and understand the company’s objectives.

Murillo Nunes de Azevedo, cited in Rabaça & Barbosa (2001, p. 159), states that “in the communication process, there is always I and the Other, sender and receiver. The message that leaves each person takes a part of that person with it.” The message undergoes changes with the personal touch of the sender, but the message should arrive at its final destination with its initial purpose intact. The fidelity of reproduction should be maintained, and likewise, the receiver should continue the process.

The communication process can become very complex and often inefficient if the message is not clear, objective and understood by the participants of the process. According to Penteado (1993, p. 1), “the word communicate comes from the Latin communicare, with the meaning of place in common. Communication is essential to living together; it is at the root of a community, a grouping characterized by strong cohesion, based on spontaneous consensus of individuals.” Therefore, communication must be understood as a process that aims to establish the comprehension of ideas between the sender and receiver.

Many problems that occur within organizations are due to a lack of communication, as well as by the distortions that happen during the communication process, because communication must be clear, and to the extent that there are alterations, it should be repeated, so that all have the same information.
3. ORGANIZATIONAL COMMUNICATION

For Rabaça & Barbosa (2001, p. 176), organizational communication happens in “situations of interpersonal communication, either direct or indirect, within an organization (intra-organizational communication).”

Organizational communication should not be confused or have various interpretations, because a complex idea or a process can make the intended message completely intelligible. Communication is present in all activities and directly contributes to the performance of teams.

Rabaça & Barbosa (2001) mention that communication in organizations serves to structure relationships, establish objectives and manage resources, so that communication must happen continuously.

In an organization, people need to work in teams and should be in tune with the same objectives, so that internal communication plays a very important role and is present in all the activities performed. According to Baldissera (2000, p. 13),

[...] communication is utilized to strengthen and preserve the organizational identity or to be the engine that drives the desired transformations, since organizational communication includes the entire flow of messages that compose the network of organizational relationships.

For management these days, communication is the process by which the people who work in companies transmit information between each other and interpret its meanings. Therefore, Kunsch (2003, p. 69) states that “the organization’s system is possible thanks to the communication system that exists in it, which will permits its sustenance and survival. Without communication, the organization will enter a process of entropy and death.”

Communication can unite different sectors of a company, providing conditions for coordinated work of all parts to permit the common objectives to be attained. Internal communication informs the employees. As such, it is necessary for the organization to anticipate the responses to expectations, to reduce conflicts and formulate preventive solutions. The effectiveness of internal communication depends on teamwork, with the support of the human relations department, the executive board and all the employees involved.
4. INTERNAL COMMUNICATION

Internal communication can be understood as a way of communication between an institution and its internal public. Pimenta (1999, p. 75) says that “communication should produce integration and a true spirit of teamwork.”

According to Brum (1994, p. 79), internal communication develops over the long run and by means of many actions, because “it is a living process that utilizes a certain number of elements for action. All these elements, because they are associated and integrated, are essential to the development of the process.”

Internal communication is hampered by “noise”, which is considered a barrier, because according to Weil (1992, p. 98), “it prevents the message from arriving at its intended receiver.” This noise can also affect those involved in a communication situation in a more subtle and veiled fashion. Noise can possibly generate mistakes when the message is received, or even conflicts with the interests of the receivers, often causing a “collective monolog” or “dialog of the deaf”, in which nobody hears anyone.

Internal communication serves to humanize the relations within the company, to make the employees more aware of their role, distinguish their level of knowledge about a certain subject of interest and integrate them better in the working environment, to help reach the company”s objectives.

Internal communication is the information received, which is processed and conveyed from one individual to another. Effective internal communication depends on internal values and convictions. Some companies are trying to enhance their communication process by means of endomarketing\(^1\), which is the disclosure of actions in benefit of the company”s employees.

5. INTERNAL COMMUNICATION FLOWS

According to Nassar (2005, p. 47), managers “are the main elements of good internal communication. They are the leaders responsible for the strategic thinking that leads the organization to grow and develop.”

All members must be committed to the organization”s success, so they should know it goals. But for this to happen, managers must retransmit the information and decisions to

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\(^1\) Endomarketing: “endo”, from Greek, means position or action in the interior that is, „inward movement”. Endomarketing is therefore a set of marketing actions aimed at the internal public. These are actions the company should adequately use to „sell” its image to the employees.” (Brum, 1994, p. 23).
the employees, of all levels, because everybody has an important role to play in the company.

Pimenta (1999, p. 87) states that:

[…] it is first necessary to recognize the importance of communication in the exercise of leadership. According to Corrado, to be a leader it is necessary to have the capability of aggregating people and leading them in the same direction, dealing with their emotions, stressing values and encouraging success.

For Nassar (2005), the company’s message cannot be different from its action, or else it will lose credibility and communication for success will break down. Irrespective of the form of communication, it needs to be transparent, ethical and objective.

In internal communication it is very common for the feedback or even the initial information not to correspond to what the individual expected. Nevertheless, this is part of the growth, the maturation, of any type of personal or professional relationship.

According to Nassar (2005, p. 48), “internal communication promotes the flow of information; it creates a „sense of belonging” in people; helps to build the organization’s future.” For a company to grow and remain viable in the market, its internal public must be integrated with its objectives and targets.

Informal lateral communication is the most common type between employees and the type that most often generates noise, precisely because of its informality. Stoner & Freeman (1999, p. 398) state that “lateral communication is communication between departments of an organization that generally follows the work flow rather than the chain of command, and thus provides a direct channel for coordination and problem solving”. This type of communication focuses on problems and solutions, avoids delays and creates satisfying relationships with coworkers.

Bateman & Snell (1998, p. 415) also point out that “formal communications are official, organization-sanctioned episodes of information transmission,” necessary for performing tasks.

Informal communication or gossip takes place through various informal communication channels, normally formed by people who are well informed but disdainful of hierarchy. According to Keith Davis, cited in Stoner & Freeman (1999, p. 398), the grapevine “flows by the water coolers, hallways, cafeterias, on any occasion when people are in groups.”

This type of communication is normally faster and harder to control than that through formal communication channels because the information transmitted tends to be what people consider interesting or beneficial to themselves in some way.
Corrado (1994) observes that organizations communicate efficiently when the employees regularly communicate informally with their superiors, and when the employees, managers and senior executives tell the same story about the company to customers, shareholders and other stakeholders.

According to Nassar (2005, p. 49), “multidisciplinary professionals work for a single objective: to help maintain the good image and solidify the reputation of the company.” Each employee has his or her function, specialty or sector, but all must have an integrated strategic vision.

6. METHODOLOGY

In developing this study, we first performed a literature review, which according to Köche (2002, p. 122), “has the purpose of trying to explain a problem, utilizing the available knowledge from the theories published in books or similar works.”

We opted for a case study of a single company, a producer of synthetic leather, to assess the effectiveness of its internal communication process in contributing to the organizational objectives and targets.

The data collection was aimed at obtaining and analyzing quantitative data, a research technique that according to Richardson, cited in Beuren (2006, p. 92), “is characterized by the employment of quantification both in the collection of information as well as in its treatment by statistical techniques.”

The questionnaire used to gather the data was prepared with closed multiple-choice questions, where the respondent could choose one among a series of options.

In the following section, we present our quantitative results by means of average descriptive statistics, displayed in graphs and tables. For some questions we used a Likert scale, from 1 to 5 points. On this scale, 1 represents “almost never”, 2 means “sometimes”, 3 refers to “often”, 4 to “very often” and 5 to “always”. These questions are discussed according to the average frequency.

We also subjected the data to the Chi-square test to extract inferences about the association between the variables observed and the different sectors of the company, along with the nonparametric Kruskal-Wallis test to evaluate the existence of significant differences in the frequency of the responses among the sectors, at a 5% level of significance. All the statistical analyses were carried out with the SPSS 17.0 program.
7. RESULTS AND ANALYSIS

The firm studied has 86 employees. Of them, 78 responded to the questionnaire, representing 90.7%, a very substantial figure. The distribution by sectors is shown in Figure 1. This high response rate indicates that the workers are willing to take on new challenges and receptive to participating in the affairs of the company.

![Figure 1: Distribution of the sample of employees by sectors. Source: Prepared by the authors.](image)

When questioned about their interpretation of the meaning of internal communication, 79.50% of the respondents stated that it is the interaction of all, irrespective of the sector or hierarchical level (Figure 2).

According to Brum (1994), internal communication is fundamental for the attainment of any objective and depends closely on the employees, and is furthermore defined as a living process. This concept was corroborated by the employees.

![Figure 2: What is your interpretation of internal communication? Source: Prepared by the authors.](image)
The answers obtained for the question on the concept of internal communication mainly fell into two groups, one formed of those who understand it as the interaction of all people and parts of the company and the second only defining it as interaction of sectors. The Chi-square test of these groupings according to the firm’s sectors showed that there is no significant association between the sector and the interpretation of internal communication ($\chi^2 = 8.594; p= 0.283$). This demonstrates that the understanding of the concept of internal communication is not related to the respondent’s sector.

In the second question, 92.30% of the employees could identify the difference between information and communication (Figure 3). According to Chiavenato (1997), information is a set of knowledge that reduces uncertainties or increases awareness, and information must be received and understood for communication to take place. Thus information is only what is conveyed by the act of communication. According to the result observed, a large part of the respondents view communication as an ample process, in which information is present as an element, consisting of the message transmitted by the process. We again applied the Chi-square test to verify the existence of any association between the perception of what information is in relation to the company’s different sectors. The results indicate there is no significant association between the conception of information and the different sectors ($\chi^2 = 15.793; p= 0.326$).

![Figure 3: What is your definition of information?](Source: Prepared by the authors.)

When asked about the best way to understand information, 55.1% of the respondents said it is through holding meetings between sectors, 26.9% said through meetings within sectors, 12.8% stated by means of e-mails, posters and the like and 5.1%
said by other means. This result demonstrates that people prefer face-to-face communication because this facilitates understanding the process of each sector and what each person can contribute to obtain the best possible results. It can also be said that this form of communication enables reducing noise, mistrust between colleagues and sectors and also the volubility between verbal and non-verbal communication.

This result is confirmed by the choices of the most suitable way of communicating, where the 74.4% of the respondents stated the best way to receive information is personally.

Those who prefer to communicate personally think that the probability of errors is lower and it is easier to understand the message, increasing the likelihood of successful conclusion of a task or project, through the facilitation of feedback when necessary.

Normally this way of conveying information is faster and improves relations with colleagues, thus generating more satisfied employees. According to Stoner & Freeman (1999), it also can provoke noise, because generally it happens informally. As put by Bateman & Snell (1998), informal communication can be constructive or destructive, because it can both help interpret the organizational objectives and damage processes through irrelevant gossip and rumors.

For this question, there was a significant association between the sectors and what the best way to understand information is ($\chi^2 = 43.130; p= 0.003$), because the production management department prefers to communicate by e-mails, posters and other means, while the other sectors have a preference for meetings within or between sectors. We formulated 10 questions involving internal communication, related to its adequacy, satisfaction of employees, their integration and other aspects, according to the frequency of occurrence. Frequency was measured by a Likert scale and was calculated by the mean. The questions posed and the results obtained are shown in Chart 1.
The questions evaluated presented average scores between 2.33 and 3.73, indicating a frequency ranging from “sometimes” to “often” with a tendency to “very often”. The question that received the highest average score was “Does the internal communication influence the company’s results?”, with an average of 3.73, and the lowest was “Is the internal communication performed adequately here in the company?, with 2.33. This result is coherent with others obtained previously, allowing the inference that a large part of the employees believe that that communication is important for the development of the company and recognize the way it is being conducted.

According to Chiavenato (1997), communication has two main purposes, to provide sufficient information and understanding so that tasks can be carried out and to motivate workers and promote their cooperation and satisfaction.
For communication to perform its function of integrating the objectives of the company with those of the employees, it must flow vertically and horizontally – from management to workers at the various levels and among them at the same level. In both cases the information and the language should be the same.

Kunsch (2003) states that the communication that occurs within companies and the way this happens determine where the firm is going. If the target, for example, is to boost profitability, everyone needs to hew to the same message and work to achieve it. Without this harmony the objectives established by the company will not be reached.

The aim of the seventh question was to ascertain the feeling of the employees regarding their integration with the company’s objectives. It obtained an average score of 3.14, indicating that on average the employees agree that the communication achieves this integration. In this respect, Nassar (2005) says that internal communication promotes the flow of information and instills a feeling of belonging to the organization, both of which are fundamental for it to develop and grow.

Weil (1992), in turn, states that social psychology studies have demonstrated that communication is subject to distortions and misinformation, so that the message received is not always the same as what was sent.

The eighth question assesses whether the internal communication stimulates the employees to participate through suggestions and criticisms. The results indicate that on average the employees believe this is “sometimes” the case, with a bias towards “often” (average of 2.73).

This result suggests that the employees do not feel sufficiently valued and do not tend to participate in the company’s decisions. In this sense, Kunsch (2003) states that for the organizational system to work properly and yield good results, it must be aligned with the communication system so as to provide the proper flow of information and feedback. If not, the company will be at risk of entropy and death.

When the internal communication is efficient, the employees know the company’s policies because the objective of keeping them informed is accomplished. For this to happen, it is necessary for the organizational system and the communication to share the same objectives, to enable achieving good results through effective management processes.

Regarding whether the internal communication is an effective factor to promote motivation and satisfaction of employees, the average score was “sometimes” with a tendency to “often” (average of 2.85). This question is closely related to the preceding one,
and the responses confirm that internal communication sometimes stimulates the employees to participate with suggestions and critiques, and also sometimes is a factor promoting their motivation and satisfaction.

According to Kunsch (1997), the quality of internal communication is directly associated with the willingness of the company to provide accurate information, using truthfulness as a basis for management by qualified people, with specialization and competence, to carry out symmetrical two-way communication in benefit of the company and its workers.

The responses to the question of whether the communication promotes integration among sectors indicate the employees believe this is “sometimes” the case, with a bias toward “often” (average of 2.97). If people do not believe they are participants and are not motivated, it will be hard for them to integrate. On the other hand, if the company promotes this integration among sectors, it is important that the teams work with each other to spread the knowledge received so that all will have common interests.

According to Maximiano (2002), it is necessary to have techniques to hear the opinions and concerns of employees, but direct contact with supervisors is much more productive and provides faster results.

Regarding the employees’ opinion of whether the internal communication is an instrument that facilitates change, the average score was “often” with a tendency to “very often” (average of 3.59). This result suggests that the employees perceive that the internal communication is an effective channel for presenting or suggesting changes.

According to Motta & Vasconcelos (2006), various authors argue that to obtain good results and consolidation of the company, people must be favorable to change rather than fearful of it, believing that the new scenario will promote the development of the organization and themselves.

It is necessary for the company to instill the idea that changes are vital for the employees individually and for the organization as a whole, and that change must always be present because it is the source of learning, knowledge, and innovation, all of which must be continuous.

The question regarding whether the company is concerned over informing the employees about the facts, changes and occurrences in the company aimed to evaluate the vertical communication, from management to the workers. On this question, the average score was 3.38, indicating that this is judged “often” to be the case, tending to “very often”.
However, some sectors may be better informed than others about what is happening in the company, which might be because the managers of these areas are clearer or more comprehensive about disclosing occurrences.

In contrast, the average score for the question about whether the employees feel they are well informed about developments within the company was only 2.78, which represents “sometimes” with a tendency to “often”. According to O’Donnel (1992), the lack of clarity of ideas and messages can generate conflicts because of the failure of proper communication. The results of this and the previous question indicate that while the employees believe the company is interested in keeping them abreast of the latest developments, they are still not sufficiently informed. This can indicate a failure of managers to establish an effective communication process for the target audience, for failure to identify an efficient way to reach receivers. This difficulty might be caused by the use of a different code than that of receivers, or by using inadequate means, or even by mistakenly formulated messages.

The average score on the last question, on whether the communication satisfies the employees’ expectations about the information received, was 2.68, representing “sometimes” tending to “often”. This outcome reaffirms what was found in the other questions, that the majority of employees have a clear perception of what communication is and what is expected of them, but do not perceive the communication done by the company to be efficient.

It can be inferred from this that perhaps in some cases the information is transmitted, but due to lack of clarity it is not well interpreted, or the expectations of the employees are not being satisfied due to lack of objectivity. This can cause discomfort, lack of credibility and conflicts, problems that can hamper achieving the firm’s objectives.

According to Pimenta (1999), to a large extent the internal problems of organizations derive from the fact that many managers do not value communication, do not believe it can influence operational results and think that strategic activity is only an individual rather than a collective ability.

Comparison of the scores on the questions among the different sectors of the company, by means of the Kruskal-Wallis tests, showed that it is only possible to identify significant differences between the sectors for the questions “Does the internal communication influence the company’s results?” and “Does the internal communication promote integration among the areas?”. In relation to the influence of communication on
the company”s results, the production and shipping sectors had significantly higher scores than the others ($\chi^2 = 24.175; p=0.001$). In other words, the employees in these sectors believe that communication influences the company”s results with less frequency.

The same occurred for the question on the influence of communication on the results of the company, where the production sector (once again) and the inventory sector had lower scores than the other sectors ($\chi^2 = 17.597; p=0.014$).

8. FINAL CONSIDERATIONS

The results obtained from this survey indicate that the majority of the employees questioned know what communication is intended to accomplish, but perceive failures in the company”s present communication processes.

With respect to the comprehension of the concept of communication among the company”s sectors, in general the employee”s sector did not influence this comprehension. The greatest sector differences occurred in regard to the understanding of the information received, where the production sector stood out by preferring information to be conveyed by e-mails, posters and other similar means, while the people in the other sectors stated it is easier to understand information transmitted by interpersonal communication.

It is interesting, then, to revisit the idea of Brum (1994), according to whom internal communication occurs by varied routes, making it a living process. In the case of the company studied, it appears there is little concern over which pathways are most suitable for effective communication between management and workers.

With the results, it was possible to verify that which Chiavenato (1997) expressed about the functions of internal communication, i.e., that the aim of providing information to generate motivation, cooperation and job satisfaction will not be reached, because the employees stated they do not clearly understand the information received.

From analyzing the responses to the questionnaires, we believe that the internal communication does not occur effectively, because the majority of the employees stated that the internal communication is only adequate sometimes, with the same applying to the information they receive about developments in the company and the satisfaction of their expectations about the information received.

In light of this situation, and recalling Nassar (2005), the hypothesis can be raised that these employees do not feel committed to the company because they do not understand
its institutional message, or the company has not chosen the proper way to establish good internal communication.

Therefore, if the internal public is not well informed, the level of motivation and commitment will be far from the ideal to obtain good results. The analysis of the questionnaires indicates that the employees are aware that internal communication is an important factor to obtain good results. It is what integrates the employees to the firm’s objectives and facilitates the processes of change. But for this to happen, there must be internal communication among the employees, something that seems to be lacking at the corporate base in terms of generating value, and the company’s endomarketing is not making them sufficiently motivated and committed.

What may be happening is that the company is working at the middle and upper management levels with the concepts covered in this study, but as yet gives little emphasis to the importance of providing more information to the internal public for achieving good results. As noted by Nassar (2005), for information to reach the intended receivers, it is necessary for managers to identify the suitable ways to send this information, to avoid the emergence of noise during the communication process.

What can be gathered is that the managers have this awareness, but they need to work harder to inform the workers to obtain successful results. This observation consolidates what was stated by the industrial director, that the company’s objective is to be transparent and make sure that information does not remain only at the upper echelons.

9.REFERENCES


