

INTERNAL COMMUNICATION AS A PRECONDITION FOR SUCCESSFUL MANAGEMENT - THEORETICAL APPROACH -

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Abstract: Management, as a universal phenomenon, helps and directs the various efforts towards a definite purpose in all organizations – cultural, social, political, business. This Paper supports the fact that in the core of management functions is the process of communication. Therefore, the goal of this Paper is to present the theoretical views allied to the vital prominence of the communication as an integral part of organization management. In this Paper, special emphasize is given to the efficient internal communication as one that has an essential importance for development, managing and efficient functioning of an organization. Furthermore, this Paper highlights another aspect of efficient internal communication, as one of a key preconditions for establishing a good external communication. Research done on the various theoretical interpreters of management led to outcomes that confirm the starting research hypothesis, i.e. that communication, as flow and sharing of information within organization, can contribute toward organizational operation improvement as well as toward better external communication.

Key words: *Management; Information; Internal Communication.*

Introduction

Communication in contemporary social life becomes one of the most important factors for the development of society in all its segments and in general as a whole. It is universally recognized value that acts as a kind of indicator by which one can measure progress and achievement of a society. Its efficiency at individual, interpersonal, group or organizational level, but also at social and global level, is a prerequisite for the success of an individual, a group, an organization or a society.

The exchange of information as part of the communication process gets increasingly important especially in circumstances where it carries and gives knowledge which corresponds to the needs of a particular individual, a group or an organization. The need of well-established communication rules in terms of exchange of information has a priority role for successful management and functioning of an organization, no matter whether it refers to a private (small or larger company / organization), public or state institution.

Organizational communication encompasses many aspects of communication including internal communication and external communication. Internal communication refers to the communication used mostly by employees inside the organization. It is communication with internal public. Effective internal communication in an organization is an extremely important issue for effective organizational behaviour, effective management and effective external communication.

In today's world of business, an organization's continued existence depends on employee communication. When communication is ineffective, the organization suffers. Mistakes caused by lack of communication, irregular and untimely communication cost organizations a lot of money due to missed deadlines, lost time and wasted product. In the same time, the lack of internal exchange of information connected with the work activity and with the all activities of the organization may cause a lot of

damage to the public relation or external communication. It is something that the experienced manager should not allow.

1. Communication as a management function

Management as a distinct multidisciplinary science that deals with research on the problem of managing business processes, endeavours and social systems, can be defined as an act of activity of people in order to achieve the desired goals, which includes planning, decision making, organizing, staffing, directing (coordination), and controlling human and material resources of the organization.

Management is a process of decision making, where managers use their skills in decision making through communication, influence and guide others towards achieving the objectives (Atchison and Hill, 1978:7).

In terms of the functions of management there is not yet a consensus on the number of functions and which of them have a priority. Founder of the functional management Henry Fayol believed that all managers perform the following five functions: planning and forecasting, organizing, commanding, coordinating and controlling. In the 30-s a list of management functions that can be recognized in the acronym POSDCORB was proposed. These are the first letters of the functions: Planning, Organizing, Staffing, Directing, Coordinating, Reporting and Budgeting. The second acronym, which is found in the literature of management, is PLORDICOCO, which contains the following functions: Planning, Organizing, Directing, Coordinating and Controlling. Most widely accepted functions are planning, organizing and controlling. The universality of these three functions was confirmed by the American Management Association. These are the minimum features that enable the functioning of management. Suklev, based

on a survey of 48 eminent authors in the field of management, has made the ranking of management functions. The following table shows that ranking:

Table 1: Management functions ranking (Suklev 2004:65)

<i>Planning – 48</i>	<i>Leading - 6</i>
<i>Organizing – 45</i>	<i>Presentation – 3</i>
<i>Controlling – 45</i>	<i>Activation – 3</i>
<i>Directing – 16</i>	<i>Evaluation – 2</i>
<i>Staffing – 14</i>	<i>Analysis – 2</i>
<i>Decision making – 11</i>	<i>Innovation – 1</i>
<i>Motivating – 9</i>	<i>Create – 1</i>
<i>Coordinating – 9</i>	<i>Prediction – 1</i>
<i>Communication – 7</i>	<i>Impact – 1</i>
	<i>Negotiating – 1</i>

Data from the Table 1 are illustrative and indicative to conclude that the three main functions are: planning, organizing and controlling. The other two features that allow the construction of management model are coordination and motivation.

Planning is deciding in advance for what, when, why, how and what to do, defining the objectives, policies and action plans of the organization;

Organization is a grouping of activities in the departments, creating an organizational structure, the concretization of the relationship between departments and organizational units that report to whom and where decisions are prepared;

Coordination is a feature that contains the connection and synchronizes various activities aimed at achieving the goals of the enterprise, helping subordinates to accomplish their responsibilities and to create conditions for cooperation among employees;

Motivating involves guiding the behaviour of subordinates in their pursuit of goals and creating motivating environment;

Controlling is the function performed by managers. By controlling which follows after the formulation of objectives, policies and plans, creating an organizational structure, connecting the

activities and motivation of workers, the manager determines how successful the work is performed and what progress has been made towards achieving the objectives.

Communication has an important place in the above mentioned table that ranks the functions of management. Having analysed all the above functions of management one can conclude that neither of these functions can be realized without the established flow of communication within the organization and out of it, with the users of the products/services of that organization.

- The manager must get all necessary information to be able to plan effectively.
- The plan must be communicated in order to be activated and implemented.
- Proper organization, coordination, motivation and control cannot be attained without good internal communication.

Stated otherwise, the successful conduct of other specified functions of management depends on the established flow of communication and accuracy of the transmission of information (whether it is top down - an order, decision - from the bottom up - a report on the work done, or horizontally - coordination).

"It is impossible to perform management functions without communication as a process of exchange of facts, ideas, opinions and emotions in each other behaviour" (C. Lorenzana, 1993:5). Without communication there can not be any society, nor to constitute and maintain social structures (Kuncik, Cipfel 1998). These German theorists define society as a system composed of all communication experiences and actions. Any form of social action and organization can be built and sustained only when participants are mutually connected through communication. This means that: The notion of communication translates into the notion of organization, because

without communication organized action is impossible (Kuncik, Cipfel 1998:12).

Communication theories and theories of organizational communication emphasize the role and importance of communication as a priority requirement for the functioning of an organization. According to theorists, most of the problems in management are actually caused by a lack of communication.

2. The importance of internal communication

Organizational communication can be defined as "a central connecting force that provides coordination between people and thus contributes to the organized behaviour" (Myers and Myers 1982 cited in Baker 2002:2). Further on, "the behaviour of individuals in the organization are best understood in terms of communications." (Rogers and Rogers 1976:3, *ibid*).

Baker lists changes in organizations that underline the importance of organizational communication for the overall organizational functioning. Key changes include:

- Complexity of the work requires more coordination and interaction among employees;
- Faster pace of work;
- Complexity and number of tasks to employees;
- Switching the tasks and processes;
- The importance of knowledge and innovation for competitive advantage of organizations;
- Communication technologies and networks are becoming essential for organizational structure and strategy (On line: Baker 2002, Chapter 13:1).

According to the theory of organizational communication there are communication flows within the organization (internal communication) and communication flows to/from the

environment (external communication). Good communication (internal and external) is the core of every successful business.

Internal communication is defined as communication between people who are part of the organization, between departments of an organization or management and employees. Internal communication can be:

- Informative (designed to convey specific information, or to inform about certain events, activities, etc.);
- Directive (consisting of the provision of guidelines and direct supervision to imposed guidelines). According to theorists, it can be found in organizations with a somewhat old-fashioned power structure;
- Interactive (in which employees participate by mutual exchange of information);
- Indirect communication (practiced in cases of expedite changes in the organization, to mobilize the organization, and used all canals of communication).

External communication is communication with external public - customers or the general public - and includes marketing, public relations, relations with the media, shareholders, sponsors, etc.

2.1. Internal and external public
Brigitte Kuchar, the author of the publication "Institutional Communication", defines the internal communication as "informing employees about the objectives and priorities of the institution or events, changes and new initiatives". Moreover, she emphasizes that it is very important that employees receive sufficient information, because: "They want and deserve to be informed about things that affect them and their work. They want to share a common vision for the organization. Get "bigger picture" and

a sense of belonging to the organization and gain a greater motivation." (On line: Kuchar 2004:8).

According to Boža Skoka (2006) who deals with the question of understanding of public relations, external communication largely depends on internal communication and on internal public consists of employees in an organization. He points out that it is quite logical, because if things are not working well "in house" it is difficult to expect that you can establish good public relations. It is meaning that communicating with the external community can't be optimal if the internal community is not well and enough informed, involved in the process of working and motivated to successfully perform their job.

Moreover, employees communicate with each other not only in the organization, but they speak about the organization with the members of their family, their friends and acquaintances, and thus consciously or unconsciously become its spokesmen and creators of the identity of the organization.

If employees have sufficient information and sufficient motivation, they can easier and better explain the organization's activities in everyday contacts. Perception of an organization is created by employees - with their statements and behaviour. If they are satisfied with their own organization, they will transmit that pleasure to the public and thereby contribute to strengthening its image.

3. Impact of internal communication in modern organizations

Internal communication in the organization provides not only timely and regular information to managers and employees about their activities and the overall activities of the organization, but allows the continuation of the work process without disturbances, deviations,

deficiencies, omissions, or delays in the activities.

Talking about the basics of internal organizational communication, Carter McNamara emphasizes that most experts on organizations, management and leadership, said that effective communication is the basis for effectiveness in any type of organization and that can never be said that there are too much communication. According to McNamara: Some leaders incorrectly interpret the communication as it is about arranging documents or paperwork, so they have an aversion to higher levels of communication. As leaders and managers mature, so they become more aware of the need for effective sending and receiving information, and their interest in communication (internal and external) significantly increases. (On line: McNamara).

There are theorists who state that communication is not only an essential element of organizational changes, but effective communication can be viewed as a foundation for modern organizations (Grenier and Metes 1992; D'Aprix 1996; Witherspoon 1997; von Krogh et al. 2000 cited in Baker 2002:2). That is very true. Today there are growing numbers of organizations that perceive the significance of internal communication. In many of these organizations departments for public relation are established and they are responsible for internal public/internal communication too.

Internal communication is not only important to establish a healthy work environment and healthy working relationships in the organization, but it is also extremely important for establishing a successful external communication - public relations. Effective internal communication that includes the exchange of information related to the work and activities of the organization is essential for the implementation of the plan of organization and functions of management - planning, organizing, directing,

coordinating and controlling. Effective internal communication in an organization is an extremely important issue for effective organizational behaviour too. Lack of effective internal communication may lead to:

- Misunderstandings;
- Lack of information;
- Disincentives of employees;
- Decrease in employees' performance;
- Deterioration of the external communication-public relations.

Poor or ineffective communication is frustrating for employees, especially in situation when an employees are not truly aware of what is expected of them. It can cause a conflict among employees and between employees and management.

Concluding remarks

Management is a process of different functions. Despite the divergence among management theorists, it is generally accepted that management involves planning, organizing, coordinating, motivating and controlling. And what is common to all of them, what is embodied in all of them, is the communication. For successful management, effective communication is required in all management functions.

Managerial inability to establish effective channels of internal communication brings employees in situation where they don't have enough information about the work they perform and about the activities of the organization. What usually happens in such situations is that employees receive information and assignments at the last moment. That can be a cause for stress, conflicts and situations that cannot result in a "job well done".

Effective internal communication creates effective performance of the staff, and, consequently, is a basis for effective public relations. It creates a team of

employees who will speak in one voice in the public.

Effective internal communication and exchange of information will avoid speculation and rumours among employees, something which is always present when there is lack of information. High-quality level of internal communication system includes regular and timely two-way information about the work activities of the organization. Nowadays when information is the most powerful tool in modern society it is a prerequisite for successful management and for the efficient and effective operation of an organization.

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