CHAPTER - IV

FINDINGS AND
CONCURRENT DISCUSSION

4.1 Findings

Having the obtained data analyzed and interpreted, the major findings of this research study are as noted below-

1. Corporate communication is a vital link for better internal marketing. The efficiency, effectiveness, and transparency in corporate communication system help human resource potential to develop.

2. Corporate communication is not the responsibility of any one department in the organization. It is the collective responsibility of Human Resource department, Marketing department and Corporate Communication department in tandem.

3. A clear understanding between HR personnel, communication Directors and the marketing supervisors lead to employee satisfaction.

4. Companies, many times, do not define an appropriate strategy to implement its set goals. As a result, goal ambiguity leads to slackening employee’s zeal, zest and enthusiasm toward attainment of set goals.

5. Most of the surveyed companies skip designing training programmes leading to employees’ adaptability to newly emerging needs. Demotivation
and lack of loyalty to the company are resultant consequences.

6. Managers and supervisors are not adequately empowered to take decision. Lack of jurisdiction hampers decision-making process. It leads to the feeling of ‘powerlessness’ which breeds mistrust in employers.

7. Performance appraisal system and performance feedback to the employees is a key factor of individual and collective growth. Some of the surveyed companies rack in proper performance system build-up and the paucity of performance feedback become resultant outcomes which act as a stalemate to organizational growth.

8. The organizations having strong communication system encourage SWOT analysis. They are observed to be building on their strengths and opportunities to grow. They could also turn threats into opportunities.

9. Creating corporate culture and observing corporate values add to corporate image, brand and corporate reputation.

10. Internal marketing, if looked upon as a management philosophy, can bring about value-added ambience wherein human capital can multiply good results.

4.2 DISCUSSION

4.2.1 Internal Marketing

The indepth analysis of the primary and secondary data obtained through questionnaires, interviews, field
visits and informal interactions with employees, managers and customers of the surveyed organizations, the following facts have surfaced and consequent to the interpretations of the facts, the under mentioned findings have been arrived at. Perusal of relevant books, journals, articles, available research works; reviews have also reinforced the findings. The findings are discussed in order like internal marketing (IM), internal communications (IC) and human resource management, serially under numbers as 1.1, 1.2, and 1.3. The effect of corporate communications on human resource development has been dealt with under 2.1, 2.2, 2.3, 2.4 and 2.5 as under; conclusion in Ch.V.

The standpoint of internal marketing is that employees of an organization are its first market. Hence, the concept of internal marketing is based on the idea of employee as customer. Among the first who had advocated that idea were Sasser and Arbeit. In their opinion internal marketing holds that personnel are the first market of a service organization (Sasser W. E., Arbeit S.P. 1976, Selling Jobs in the Service Sector, Business Horizons,19(3):61-65). The concept of internal marketing is not limited to the ‘front-line’ customer service staff alone. Even the employees who do not interact with customers also impact upon perceived service quality because they directly influence the service providers. If all employees perform their jobs well they are also a value-added component of the service and product offering.

The analysed data of supervisors’ feedback of information flow has revealed that supervisors lack information about organisations’ plan and progress. They get the information late consequently they find themselves
helpless when employees ask them about the growth status of the organisations. (see Table 2.1, Chapter-III)

Resultantly, the enthusiasm and initiative on the part of employees get diminished. This affects the employees’ process of positive thinking and rumours spread as regards organization’s image and brand-making. Though, in most of the surveyed organizations, there is a specific method for keeping top management informed about employee thinking and rumours, organizations many times fail to satisfy employees’ urge to know about their organizations updated profiles. This shortcoming to treat their employees as their customers is reflected in performance level of employees. Few organizations can evaluate their performance accurately by averaging the performance of their employees. In most cases, the performance of an organization is determined by the productivity and the efficiency of such higher-level organizational entities as departments, retail outlets, plants or teams. In the language of operations research, these productive entities are called ‘decision-making units’. Decision-making units can be compared with each other when they consume the same type of resources and produce the same type of outputs. Examples of decision-making units within an organization are branches of a bank, stores in a retail chain or assembly lines in a factory. At a higher level, whole organizations in the same industry can also be treated as a decision-making unit. Thus, the lack of information and that too, timely information adversely affect these decision-making units.

However, the other data in Table 2.1 has also revealed that a clear understanding between HR personnel, communication directors and the supervisors also lead to
employee satisfaction. Supervisor’s regular meetings with the higher level managers and also with the subordinates pave the way for good exchange of information and create the conducive space between managers, supervisors and employees to have healthy interpersonal relations. In W.R. George’s opinion, to have satisfied customers the organizations must also have satisfied employees (George, W.R.1977, The Retailing of Services – A challenging Future, Journal of Retailing, and 53(3):85-98). Satisfied employees are a precondition for satisfied customers. (Sinicci & Vokie Poloski Nima: Integrating internal communications working paper Feb 2013, p-4, 07-12. Rosenbluth and Peters (1992 in Ewing & Caruana,1999) go even further and say that the customer should come second to those of employees, as customer needs will only be successfully met after those of employees have been satisfactorily met.

Data analysis, as given in Table 3.3 reveals that employees as internal customers, are always inclined for change management out of 500 respondents only 125 showed their happiness with their present work profiles. Employees want change in their work profiles as they develop new competencies’. However it has been observed that the change they expect in their work profiles should not be shorn off new opportunities and new incentives as the absence of which might dip down their enthusiasm and zeal to strive for attaining organizational goals. If internal marketing is looked upon as a precondition for satisfied external customers and also if internal marketing is to be used as a source of competitive advantage, the organizations must cater for employees need to reap new
benefits from their changed work profiles. This has always to be linked with organization’s capability for strategic management and communication of goals.

“Many companies still fail to define an appropriate and realistic strategy or goal understandable to all company segments and comprehensively adapted to suit their roles on their journey to the common goal.” (Charvatova, and Van der Veer C.G, 2006, Communication and Human resource Management and its compliance with culture, pg.16, International Journal of Human and Social Sciences 1:1). In most of the observed companies, management teams do not communicate the goals and employees, not being acquainted with them, cannot implement the strategy efficiently and in full.”

Internal customers, that is, employees can be better shaped, moulded and matched to the attainment of organizational goals provided that are given effective training at regular intervals. Table 4.2 reveals that employees are in the know of benefits accrued from attending training programmes. Yet, it has been observed that most of the surveyed organizations do not conduct regular training programmes, nor do they send their employees to outside personnel training schools. Briann Tracy supports this by stating that an average company spends 85 percent of its variable wage costs, but less than one percent on employee training although surveys have shown that quality training improves performance and return on investment in ratio 30:1.

While the majority of companies focus on qualification management as regards the development of
human resource, the course of current events increasingly requires knowledge management. “Experts see the strategic perspective of company education and development in the maximum possible exploitation of human resource potential available in the company.” (Charvatova D, and Van der Veer C.G.2006, Communication and Human Resource “Management and its compliance with culture, pg.15, International Journal of Human and Social sciences 1:1). This requires thorough development through regular training, workshops, common company events, regular and structured motivational experience, regular feedback and critical evaluation, responsibility, awareness and job sheet transparency. All the mentioned management tools are important areas significantly influencing in-company communication and are therefore dealt with by HR management.

Need-based training programmes are common. However, it has been observed that intermittent awareness programmes keep the employees abreast of company progress. Most of the observed organizations have been found deficient in understanding the worth of general awareness training programs. Immediate monetary returns from training investment are common phenomenon which, in some way or the other, is contrary to effective internal marketing.

Table 4.3 gives a very dismal picture of organizations’ attitude vis-à-vis satisfaction of their internal customers. The status of employees’ happiness with their jobs is just a little higher than their unhappiness. Though as
many as half of the employees showed being happy (59%), the other half responded in negative (41%). As regards job satisfaction the negative percentage is more (58%) than positive responses (42%). The reasons for this equi-level positivity and negativity might account for supervisory nonchalance, lack of clear and timely communication of information, the capricious changes in salary and fringe benefits, and non-attendance of employees’ basic wants and needs.

The above cited figures clearly show that it is mostly the paucity of tactfulness, constructiveness, responsibility awareness and positive self-perception of their organizations. Tactfulness is connected with one of typical human characteristics and needs – the feeling of importance and usefulness. If a supervisor shows interest in his subordinates and co-operate with them, his subordinates will be more open in terms of communication and co-operation.

“Freedom to perform is another prerequisites and a guarantee of better communication which the superior gives to his subordinates with respect to the performance of the assigned task. Success requires freedom. Freedom is a key motivator for accepting and conveying information. This simultaneously means to delegate responsibility for the quality of performance of the whole task and decision-making powers. Superiors must provide all colleagues with clear information regarding the level of freedom they are granted with respect to the entrusted tasks.” (Charvatova

One of the preconditions of good and open communication is the trust of subordinates in their managers’ ability to clearly define tasks, responsibility, the extent of responsibility and standards to be achieved. Otherwise it is difficult for employees to offer or receive any feedback since they do not understand what is generally recognized as being correct.

### Table 5.1: Four groups of internal marketing definitions

<table>
<thead>
<tr>
<th>Dominant perspective</th>
<th>Authors</th>
<th>Definitions</th>
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<tbody>
<tr>
<td>IM as a synonym of HRM</td>
<td>MacStravic (1985 in Dunne &amp; Barnes, 2000)</td>
<td>IM encompasses the efforts of an organization to recruit, train, motivate and reward its members toward more satisfying marketing behaviour. IM is a management philosophy that provides managers with an understanding and appreciation for the roles of employees in the corporation, requiring that they have a holistic view of their jobs. IM is a task of hiring, training and motivating able employees who want to serve customers well (p.23)</td>
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<td></td>
<td>Gronroos (1990 in Varey, 2001)</td>
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<td></td>
<td>Kotler (2003)</td>
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<tr>
<td>IM as a usage of marketing</td>
<td>Reardon &amp; Enis (1990)</td>
<td>IM is the application of persuasion strategies, both novel</td>
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techniques in internal Marketplace

<table>
<thead>
<tr>
<th>Authors</th>
<th>Objectives/activities</th>
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<tbody>
<tr>
<td>Reardon &amp; Enis (1990)</td>
<td>IM is the employment of the same skills that are employed in external marketing to market in order to persuade employees that they are vital links in the production - customer satisfaction chain (p.379)</td>
</tr>
<tr>
<td>Piercy &amp; Morgan (1991 in Rafig &amp; Ahmed, 1993)</td>
<td>IM is the development of marketing program aimed at the internal marketplace in the company, by using the same basic structures used for external marketing (p.84)</td>
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<tr>
<td>Gilmore &amp; Carson (1995 in Varey 2001)</td>
<td>IM is the spreading of the responsibility for all marketing activity across all functions of the organisation, and the Proactive application of marketing principles to 'Selling the staff’ on their role in providing customer satisfaction within a supportive organizational environment (p.300)</td>
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<tr>
<td>Ozretic ’Dosen(2004)</td>
<td>IM encompasses internal market research and segmentation, internal product policy, internal pricing, internal sales and distribution, and internal communication and promotion.</td>
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<td>IM for the purpose of satisfied customers</td>
<td>Ballantyne (2000)</td>
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<td></td>
<td>IM is a strategic approach to challenging both the attitude and behaviour of staff towards an understanding of the centrality of the customer (p.47)</td>
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<td></td>
<td>IM can be seen as a management approach that enables and motivates all members of the corporation to examine their own role and communicatin competence and to adopt a customer consciousness and service orientation (which requires an interest in the problems of customers), whether front-line service performers or back-office service support workers, to meet the needs of external customers through a commitment to the corporation’s goals (p.214-215)</td>
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<tr>
<td></td>
<td>IM must precede external marketing because it makes no sense to promise excellent service before the company's staff ready to provide it(p.23)</td>
</tr>
<tr>
<td></td>
<td>IM can be seen as a means of promotion marketing orientation (p.218)</td>
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<td>Varey (2001)</td>
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<tr>
<td>Varey (2001)</td>
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<tr>
<td>Kotler (2003)</td>
<td></td>
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<tr>
<td>IM as a source of competitive advantage</td>
<td>Hales (1994 in Varey &amp; Lewis,1999)</td>
</tr>
<tr>
<td></td>
<td>IM is aimed at the attraction, retention, and motivation of “Service-minded”, “customer-conscious” employees to aid the perceived service quality and effective external marketing of the enterprise as a way to competitive advant</td>
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SOURCE: Sincic’ Dubravka & Vokie PoliskiNina, 2007, internal marketing philosophy, feb-working paper series, 07-12)

**Table 5.2: Objectives and activities of internal marketing**

<table>
<thead>
<tr>
<th>Authors</th>
<th>Objectives/activities</th>
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<tr>
<td>Aroll(1979 in Varey &amp; Lewis 1999)</td>
<td>Three major tasks for internal marketing are: 1. The dissemination of information to and from all internal groups in or affected by the</td>
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marketing activities, for the efficient implementation of marketing decisions;  
2. The development of competence, especially important where "the organization" is the product (i.e. in severe business); and  
3. The development and maintenance of incentive and motivation systems which reward marketing programme.

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<thead>
<tr>
<th>Author(s)</th>
<th>Description</th>
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| Macstravic (1985 in Dimne & Barnes, 2000) | The primary focuses of internal marketing are  
1. it is designed to complement external strategic marketing efforts through the facilitation of personal interaction between staff and internal clients. These interactions are instruments for encouraging customer attraction and satisfaction;  
2. more fundamentally; it serves to develop and maintain motivated and satisfied work force that contributes to the organization externally and strategic marketing objectives, as well as to quality productivity and efficiency. |
| Gronoons (1990 & Barnes, 2000) | The purpose of IM is to motivate employees toward service mindedness and customer oriented performance by an active marketing like approach, where a variety of activities are used internally in an active and co-ordinated way. |
| Variey (2001) | IM has a role in reducing conflict between the functional group of the corporation by eroding barriers through improved sharing of information and alignment of objectives around external customer and marketing principles (p.221) |

Source: Sincic Dubravka and Vokic, Poloski Nina, 2007 “Integrating Internal Communications, human resource management and marketing concepts into the new internal marketing philosophy, Feb-working paper series 07-12).

As far as ‘ internal marketing’ is concerned, it is worthwhile to jot down certain definitions in different groups and also note certain objectives of internal marketing and then see if some of the definitions and objectives are matching with the current practices followed
in the surveyed companies. Table 5.1 and 5.2 record definitions and objectives respectively.

Perusing the definitions by all the eminent authors, the following essential characteristics of internal marketing must occupy central attention of all organizations. The following points must, in nutshell, have to be the core of focus,

**IM as a synonym of HRM:**

a) to train, motivate and reward employees  
b) to have a holistic view of their jobs  
c) to serve customers well

**IM as techniques in internal market-place**

a) to convince people in-house that they are connected to the customers  
b) that the employees are vital links in the production-customer satisfaction chain  
c) it encompasses internal product policy

**IM for the purpose of satisfied customers**

a) a customer consciousness and service orientation  
b) a commitment to the corporations goals  
c) must precede external marketing

**IM as a source of competitive advantage**

a) attraction, retention and motivation of “service-minded”, “customer-conscious” employees  
b) to aid the perceived service quality

The core objectives of IM as highlighted through different scholars as in table 5.2 are:
a) the development and maintenance of incentives and motivation systems.
b) Personal interaction between staff and internal clients
c) To maintain and develop motivated and satisfied workforce
d) Motivate employees toward service-mindedness
e) Reducing conflict between the functional groups of the corporation.
f) Improved sharing of information

Considering the characteristic nature of effective internal marketing, the surveyed organizations showed good inclination for their employees to be in the know of current company affairs. As per Table 2.1 (Chapter-III) managements hold regular meetings with their employees and employees are encouraged to seek required information from their supervisors. Supervisors’ percentage of meeting with their subordinates is 62% rightly percent responses of employees indicate that supervisors discuss urgent matters with the employees for problem solutions. But the anomaly that has been surfaced is that supervisors themselves do not get timely information from top management regarding organizations’ plans and progress. The research has demonstrated that efficient communication requires a suitable rather than dominant manager. Therefore the manager’s personality and management style have a significant impact on the satisfaction and performance of employees.
Table 3.1 reveals that employees, when faced with problems, they fall back upon the help of their colleagues and supervisors. 38% employees have been observed following this practice. Only 16% employees try to solve their problems by themselves. This is not an entirely negative indicator; however, this shows the lack of continuous and comprehensive evaluation of employees’ performance appraisals which many times, leads to demotivation and frustration on the part of employees, in case of supervisor’s failure to sort out the problem.

It has also been observed that though employees are told about company profile when inducted, their lack of awareness about the vision and mission of their organizations impact their “service-mindedness” adversely. In most of the surveyed organisations, a house journal is published. Table 3.2 reveals that house journal publication is 85% in the observed organizations. However, employees’ active participation in sharing their views, grievances or suggestions is only 41%. This shows that there is a lack of strong corporate culture and correctly defined strategy significantly contributing to integration, co-ordination and motivation of individual employees, their initiative and improvement of quality work. It affects their loyalty and responsibility with respect to their organization.

“It is not an easy task to set visions and goals that would match the goals and expectations of employees and meet the expectations of customers. Personnel management respects an approach in which market signals, identify trends, wishes of customers as well as their dissatisfaction and complaints. For the information to reach the company
management, it must be communicated. At the same time, the management must be willing and competent to listen to the information and requested changes to interpret them”. (Charvatova, and C.G. Van der Veer, 2006 Communication & Human resource Management International journal of Human and Social Sciences, pg.14.

Table 3.3 shows that employees want to change their work profile as they have developed new competencies. However, the change must come with more incentives and opportunities to grow. A large portion of problems companies face is connected with the quality of human resources and efficient communication. Management can expect maximum return on investment in human labour if it uses the human potential offered by employees, keeps all employees well informed and makes them participate in company goals and projects. Management bears a great deal of responsibility as their attitude to human resources reflects in their satisfaction and performance. Just like corporate culture, successful human resource management must cover all the employees of the organization as each of them makes decisions that, in the final stage, determine the fulfillment of company goals. Various forms of co-operation between employees and groups encourage communication in a specific way. It is possible to mention several communication tools of personnel management, such as meetings, teamwork, quality teams, brainstorming etc. The objective of personnel management is to decide on a suitable form of the above presented tools, motivation, development and assessment that promote the efficiency of co-operation.
Table 4.2 shows that most of the observed organization have not been following the basic requirements of customer satisfaction as regards advance information about their selection for training, awareness discussion on training benefits etc. consequent upon which the employees have bad interface with external customers.

4.2.2 Internal communication

Organizations are continuously acknowledging the necessity of internal or employee communications. As Argenti (1996) emphasizes, since contemporary organizations “become more focused on retaining a happy workforce with changing values and different demographic, they have necessarily had to think more seriously about how they communicate with employees” (Argentic, P.A.1996), Corporate communications as a discipline, as cited by Sincic’ Dubrata, Nina Polosk Vockic: “Integrating internal communications,---- Feb, working Paper series-07-12).

Internal communications can be defined as transactions between individuals and groups in organizations at various levels and in different areas of specializations (Frank & Brownness, 1989 & Dolphin,2005) As cited by Sincic’ Dubra and Nina Polosk Vokie.

Spitzer and Swider (2003) suggest that effective internal communications should have three basic objectives :(Ibid). These are put in brief as:

1) The content, intent, relevance and merit of the message is important.
2) The goals as motivating, directing, informing or gaining the participation of the employees is achieved among majority of employees

3) The end result should be customer satisfaction.

Argenti (1998) have described the goals of internal communications. They can be briefly put as: 1. Employees are an important asset to the organization. 2. To improve morale and faster goodwill between employees and management. 3. To inform employees about internal changes. 4. To explain compensation and benefit plans. 5. To increase employee understanding of the organizations. 6. To change employee behavior positively. 7. To increase employee understanding of major health/social issues and 8. To encourage employee participation in community activities.

As regards rudimentary elements of communication, the surveyed organizations have been observed on the positive ascent as far as communication policy, support of the management, organizational honesty and frankness, accountability for communication are concerned. However, as table 1.1 reveals written procedures for implementation of the communication policies, conformation of communication activities and media, display of communication channels etc have been found lacking. Table 1.2 has strengthened the information obtain under Table 1.1. Table 1.2 shows that 38% respondents have confirmed that policy of communication and programmes is regularly reviewed, that supervisors
know their accountabilities for relaying information up and down the line and there is co-ordination between HR managers and communications personnel.

Figure-1 however tills the matter of communication slightly different as managerial dissemination of information is concerned. Figure 1 shows that superiors as many as 46% provide only suitable (mostly concerned to employees) information to their subordinates. Only a few, 23% are open and share opinions as frankly as transparent culture requires. A major part of competitive advantage of the company lies in quality and efficient communication. The improvement of the efficiency of human resources and their ability to communicate in suitable corporate culture should therefore become one of the key priorities of organizations.

One of the goals of internal communication, as mentioned earlier in the proceeding pages is to increase employee understanding of the organization and its products, organization ethics, culture and external environment. The other goal is to change employee behavior toward becoming more productive, quality oriented, and entrepreneurial. Table 4.3 reveals that though employees say they enjoy their jobs, only 35% respondents opined that they feel “cared for” by the organizational hierarchy. Employees’ satisfaction with their superiors is also not noteworthy. It is only 40% opportunities to advance in the hierarchical mode are open, yet employees’ basic needs and wants are less taken care of. The end result of an improved internal dialogue in achieving improvement in one or more of the core success components like product
quality, sales, profitability, workforce performance and satisfaction, and ultimately, customer satisfaction can’t be attained provided organizations do not get rid of “the lack-luster” attitude for their internal customers; good interface with external customers remains for away. In most of the surveyed organizations, the Grievance Redressal systems are non-existent. As a natural consequence, grievances of employees remain unheard leading them to more demotivation.

Again the impact of the above said ‘lack-luster’ attitude of the management towards employees is reflected in Table 4.5 where department interact with external stakeholders like suppliers. The customer service teams have recorded only 8% interaction with suppliers and 1% by other departments denoting internal customers’ disinclination to maintain good interface with external populace. Even warehouse interface with suppliers is found only 5% which can be ascribed as the conspicuous consequence of employees’ demotivation which might again be termed as the lack of the sense of belongingness. Figure-2 also strengthens the said assumption as regards task assignments in the surveyed organizations. 87% tasks are assigned by superiors whereas 8% assignment comes on employees’ own initiative. This signifies ‘Unipolar’ initiation than ‘multipolar’ acceptance of self initiative. This conveys a ‘sorry state’ of organizational affairs as regards the internal communication objective of goals as motivating, directing, informing or gaining the participation of the employees achieved among majority of employees.
In this context it is worth quoting D. Charvatova, and C.G. Van der Veer (2006) Charvatova, and Van der Veer C.G.: Communication and Human Resource Management and its compliance with culture International Journal of Human & Social sciences, 1:1 2006 p.15 “the building of positive self-confidence is based on the management of relationships”. It recommends communication of positive self-respect and the feeling of importance. People need to know how their work is evaluated. It is important for the manager to dedicate enough time to his subordinates to explain all the critical points, to give instructions and arrange details, to pardon unimportant problems and distinguish them from crucial matters.”

Communication of the desired corporate image will be most effective when every employee himself or herself becomes a spokesperson for the company, becomes a communicator of the corporate identity. The multiplier effect in communication will be just unbelievable when every person in a company becomes an enthusiastic messenger of the corporate business plan and exemplar of the corporate value system. The flip side, of course, is that a grandiose communication plan of farming out the different publics of an organization will all come a cropper if the employees do not echo and radiate organizational plans and values.

“There is a greater and wider appreciation of the crucial importance of internal communication, however, managements are tending to become more paternalistic and condescending in coping with the rigors of an increasingly
demanding business environment” says Venkatramani S. H. (Venkeatramini, S.H., 1998, Corporate communications, The Age of Image sterling Publishers Pvt. Ltd 1998, p-106). This is certainly true in India; and it is also the case in other parts of the world. With slowdown in economic growth, with the tide of recession, employment is becoming more difficult to come by; and employees generally are feeling more insecure. To quicken response time to changes in the market and the environment, managements tend to resort to ruling by fiat. But that is knee-jerk shortsightedness. Actually, by investing in the time, effort and commitment to keep employees constantly updated on organizational performance, market realities and corporate goals, one succeed in creating a culture of enthusiastic participation which alone can translate itself into an enduring competitive advantage.

Employee communication does not mean the impersonal and perfunctory dissemination of information. It means the empathetic transference of understanding. The wisdom of investing in the creation of responsive and flexible systems of communication and transparent and empathetic culture of communication-sharing should be more than apparent in the fact that, in the current flax in the business scenario, technological advantages cannot be long-lasting; economies of scale may not be permanent; benefits accruing from lower capital costs may not be insurmountable by competitors; location advantages may be temporary; and the entry barrier of brand loyalty and a formidably large dealer-distributor network may also not be an effective enough deterrent. It is only interpersonal skills and interpersonal relationships within an organization that
can form an unshakable organic bond that cannot be beaten in the marketplace. If every member of a corporate family can swear by the organization, if everybody in an organization has a sense of belonging, involvement and commitment that originates not from blind faith but springs naturally from an understanding of the larger corporate game-plan that is fostered by free and open communication, then actually there can be an organization that is well-knit as an organism. Clearly that is an area where corporate communications or internal communications overlaps the human resource function.

There are several tools, techniques and systems that are now being adopted for effective Internal communications. An array of compute-based instruments for quick internal two-way communication is being increasingly used by several companies, Electronic Mail, Intranet, and customized Internal Communication software packages like Lotus Notes and Bulletin Boards-are some of the communication mediums. We have also a variety of print communication media to supplement the computer, although historically the print media has preceded the computer in intra-organizational communication. We have also the tried and tested institution of the corporate magazine; also now have factory newsletters and information updates. We also have printed bulletins related to specific professional functions in several organizations; for example, the Human resource function in many organizations brings out its own printed publications keeping people at large in the companies in question abreast of different HR initiatives. We have regular direct mailers keeping you up-to-date on financial performance.
We also have structured communication meetings right down the line and across the board in several organizations. Hindustan Lever in India is a well-known example of an organization that has institutionalized a system of regular communication meetings. We have also Video House Magazines to communicate, through immediate larger-than-life images, what is happening in the different parts and locations of a company.

But all these increasingly sophisticated tools and techniques, fitting into beautifully structured systems of internal communication, will all be damp squibs unless there is a genuine desire to communicate in an organization. “The first question that a corporation has to ask itself is, does it has, right at its very top, an innate urge to communicate, to them by making them equal partners in a participative corporate orchestra? If there is such a deeply felt urge, the structured systems will slowly blossom and assume shapes. If, on the other hand, there is no such desire deep down in the organization’s bones and marrow, the best systems will come a cropper”. (Venkatramani S.H. 1998 “Corporate Communications”, The Age of Image sterling Publishers p.110)

What this also means, in essence, is that the best communication practices need to be backed up by training inputs in communication skills. How can we make our ideas well conveyed to our subordinates to make them feel comfortable when sharing information with them? Are we sure that our body language is not unwittingly putting them down? Are we being a pathetic to their suggestions and requests, are we condescending and sympathetic, or are we
making a sincere effort to put ourselves in others’ shoes. How can we learn to speak in a manner that will motivate and inspire those working with us? Simple but thoughtful words and actions, like an appropriate word of praise, like a pat on the back at the right time, or aptly expressed critical observations which focus on the behavior, or the action that has led to an undesirable result without hurting the other person’s self esteem, can stimulate and inspire our junior colleagues much more effectively than even money can. “Lubricating the wheels of a corporation with clear and free communication drives form a change of attitude and behavior”. (Venkatramani S.H.,1998) (Ibid).

The best example, of organizing and effectively utilizing internal communicates, can be quoted of spastics society of Britain. When the society which was founded in 1952 by parents of children suffering from cerebral Palsy, rechristened itself finally in 1994 to “scope”, the change of name didn’t come through a corporate brand repositioning exercise undertaken by a reputed advertising agency. It is true that an external consultancy outfit undertook a survey of all the principal stakeholders of the spastics Society in 1990, to sense the level of discomfort, if any, with earlier name. But after the discomfiture was sensed, the change of name happened from within. The pros and cons of different options were carefully weighed and considered by the members. Ultimately the name “Scope” was approved by an Extraordinary General Meeting of all the members that was convened in 1994. Like spiritual awakening, a culture of free communication to create a cohesive and responsive corporation has also to originate from within.
Obviously techniques are getting fine-tuned and new insights are being gained with time and experience in the current welter of universal change. Almost holding aloft an object lesson in internal financial communication, an excellent talking point and case history, the Boots company in UK, has now perfected the practice of communicating its annual financial results to its internal population into a fine art. Drawing from the results and comparative financial performance vis-à-vis the market, the Employee Communications Cell in Boots chalks out a detailed Internal Communication Plan.

The first question that the communicators ask themselves and the top management is: What is the that the financial figures tell? What does that story mean to each department, and to an individual in a department? How do the figures look into the context of future business plans and market realities? What are the results that the company seeks to achieve by communicating the results to each department and individuals? What should be the methodology of communication of the results-computer bulletins, house journals, meetings, whatever – to make it effective in achieving the desired results?

Having channels that encourage open and transparent communication is another important aspect that allows employees to get engaged in the important decisions to be made. This gives them a feeling of being involved and at the same time, they are also accountable for the decisions
taken in the organization. A positive workplace only further enhances productivity and hence, efforts need to be made to ensure such environment. Organizations employ internal messages to persuade members to identify with organizational goals and to adopt organizationally desired decision premises. More commonly observed, organizations send external messages in an effort to influence audiences’ opinions or to repair tattered images. These messages, however, are not isolated and may be directed at both internal and external audiences simultaneously. Internal audiences, such as employees, can ascribe to external messages that depict the dedicated work ethic or friendly service of a company. Hence, the boundaries of such messages become unclear. Tailored messages can be highly effective, but it is important that rhetorical practitioners do not create contradictory messages available to unintended audiences. To combat the inconsistencies between messages, organizations try to establish univocal and advance a particular image of the organization itself. A unified approach, however, often limits the organization’s ability to adapt to its audience, thus, hindering the two-ways symmetrical model of public relations.

In addition to creating univocal centered on a unified corporate identity, organizations have the challenge of establishing and maintaining credibility. This is primarily accomplished by a company simply fulfilling rhetorical claims. If an organization can establish its credibility with the public, their communication strategies will be more effective and trustworthy. When rhetorical
claims are not fulfilled, corporations may face public and regulatory pressure.

One of the most important messages that internal communication should deliver is to create and define the company's values and beliefs to the employees who will thus have a clearer sense of what is means to be a member/an employee of the organization. Vallaster (2004)* says that, employees are evidently happier in an organization with strong internal communication. Borsese, et al (2003) defines internal communications’ importance as follows:

“There is a need to build and retain a permanent relationship between managers and employees, in order to create awareness among the internal stakeholders of their actions’ impact on the environment and their quality”. Therefore, it can be concluded that for an internal communication process to be successful, employees, as the organizational carriers, have to know the core values and principles, need to believe them and act in accordance with them.

The aspect of Internal Communication within an organization has been adequately analysed and discussed in the preceding pages. The conceiving, introduction and innovation of internal communication system in a nascent and hitherto clearly undefined professional function is certainly important. Yet, the structuring, fine-tuning and streamlining of these systems of external and internal communication constitute only the form and the shell of what is organizational communication. These methods,
however well thought out and interestingly structured and creatively customized to the needs of an organization, do not make up the Kernel and the content of corporate communications. The impact of the effective corporate communication system has to be beneficial for the growth of human resource development in an organization.

Today’s Corporate Communicator needs to be more than half a journalist himself. He needs to be able to sniff and smell around for possible positive stories in the nooks and crannies of the corporate edifice. It has also been seen and observed that staggered and sustained positive Press exposure does a lot more good to the image of a company than one high-decibel outburst of a publicity blitzkrieg followed by total silence. Visibility in good light over a period of time is much more immensely beneficial to corporate image than rare but intensive publicity efforts. To keep continuously and relentlessly chipping away to create the desired corporate identity and image through the media is, therefore, of the essence. The findings have confirmed other survey results related to inter-departmental communication and problem-solving situations. The departments characterized the conveyed information as incomplete, not always in time and delivered upon reminder. This proves that the absence of project and process management in current companies is a substantial drawback. Similarly, companies fail to define rules of a functional communication system that would be transparent, simple and handled and respected by all company employees. It is very difficult to ensure efficiency and quality of information communicated. However, unless there is a system and prescribed communication
procedures, it is hard to implement changes in conditions or activities as they are not measurable and it is impossible to determine whether or not they are efficient and of required quality.

With a view to build strong internal communication based, suitable corporate culture should also become one of the key priorities of companies. Culture provides employees with a sense of identify and commitment to a set of values and beliefs; it also refers to how employees identify themselves with the organization through values, beliefs and assumptions of the company’s historical roots and traditions. Thus, communication is strongly interconnected with culture. Therefore, instilling corporate culture, values and beliefs in employees is vital for successful corporate communication. Culture provides employees with a sense of identity and commitment to a set of values and beliefs, which in turn create an atmosphere that encourages and seeks consistent alignment between employees’ needs and organizational goals.

Overall, it can be said that a strong corporate culture has a positive impact on organizational performance and high employee satisfaction. Therefore, a clear understanding of culture is critical to long-term success. We are often told to start from within; to look inwards. The lesson in corporate communications is the same. If one has to transform the External Corporate Image, it is to start with Internal Corporate Image; and any change in the Internal Corporate Image has to be brought about by carefully planned Internal communication, both, in terms of content and systems and in terms of culture.
4.2.3 Human Resource Management

Human Resource Management deals with the development of human resources and performs the role of a multiplier of one of the inputs that the organization needs to meet its goals.

The main purpose of human resource management lies in the preparation of job descriptions and the establishment of working conditions suitable for the development of human resource potential. This is a kind of support which takes into consideration changes in corporate culture and philosophy and encourages colleagues to be more committed to organization’s goals and strategies and to identify with company philosophy. Moreover, strong corporate culture and correctly defined strategy significantly contribute to integration, co-ordination and motivation of individual employees, their initiative and improvement of quality of work. It strengthens their loyalty and responsibility with respect to their organizations. It is not an easy task to set visions and goals that would match the goals and expectations of employees and meet the expectations of customers. Human resource management respects an approach in which market orientation starts and ends with people and employees can listen to market signals and identify trends, wishes of customers as well as their dissatisfaction and complaints. For the information to reach the organization’s management, it must be communicated. At the same time, the management must be willing and competent to listen to the information and requested changes and to interpret them. This requires a qualified employee accepting the corporate culture.
The surveyed organizations both in manufacture and service industry reflected that managers are aware of the overall purpose of the business their organizations have been carrying on. However there is less commitment found as regards managers’ role in achieving business objectives, though curiously enough 73% managers in manufacturing companies and 82% of their counterparts in service industry are in the clear knowledge of their current objectives.

In this regards Charvatova and C.G. Van der Veer’s remarks are worth quoting. “Many companies still fail to define an appropriate and realistic strategy or goal understandable to all company segments and comprehensively adapted to suit their roles on their journey to the common goal. In a number of companies, management teams do not communicate the goals, and employees, not being acquainted with them, can not implement the strategy efficiently and in full”. (Charvatova D, and Van der Veer C.G., 2006, “Communication and Human Resource Management and its compliance with culture.” International journal of Human and social sciences 1:1 pg.16). As regards use of technology in recruitment, rewards establishment and distribution and talent management, above 87% managers in both the industry sectors are ad-idem in agreeing to the benefits of technology application loyalty remains a high point in manufacturing sector whereas sacking employees of in case of redundancy remains a near total ‘Yes’ point in service sector. As regards training and development only 24% managers responded to ‘yes’ factor whereas 30% managers in service industry responded to ‘No’ factor.
It has been observed that most of the organizations do not shun organizing training programmes internally nor do they show their willing readiness to send their employees for training programmes conducted by professional training organizations. Restraining employees to obtain new skills and competencies by undergoing training programmes might be seen as one of the cost-cutting and employee control device, though if the practice is professionally unethical and less rewarding to the company benefits. Brian Tracy (1998) (B. Tracy, Effective Management Seminar Series) supports this by stating that an average company spends 85 percent of its variable wage cost, but less than one percent on employee training although surveys have shown that quality training improves performance and return on investment in ratio 30:1.

While the majority of companies focus on qualification management as regards the development of human resources, the course of current events increasingly requires knowledge management. Experts see the strategic perspective of company education and development in the maximum possible exploitation of human resource potential available in the company. This requires thorough development through regular training, workshops, common company events, regular and structured motivational experience, regular feedback and critical evaluation, responsibility awareness and job sheet transparency. All these management tools are important areas significantly influencing in company communication and therefore dealt with HR management.
Human resource management covers the issues of internal communication in a very broad sense. Specialized literature describes several other areas and approaches mentioning communication in connection with companies. Most of them, however, analyse communication from a very narrow perspective of the internal events and neglect the overall impact of communication on the efficiency of a professional company or organization.

Regarding manager’s alignment of the importance of effort to strategic intent it has been observed that all the managers in the surveyed organizations are very positive regarding their roles for the importance to their business, their chances of getting their efforts noticed in case of the business objectives achieved, that clear job descriptions allow for higher efficiency, that their opinions on work issues are considered by top management. (Table 6.4, Chapter-III) Also in context of workplace climate and job challenges, 60% and 80% employee responses respectively are found positive.(Table 5.2, Chapter-III)

One aspect of employee performance that has attracted particular attention from organizational researchers is customer satisfaction. The survey has demonstrated that employees perceptions of climate correlate with customers’ ratings of satisfaction in bank branches. Other indicators of employee performance have also been linked to employee attitudes and climate perceptions. For examples reduced staff turnover and superior financial performance are associated with positive attitudes and sales performance with service climate. (Harter JK, Schmidt F L, Hayes TL, 2002). Business unit-
level relationship between employee satisfaction, employee engagement, and business outcomes: A meta-analysis. Journal of Applied Psychology 87, 268-269) have shown weak, but meta-analytically generalize, correlations at the ‘Decision making Unit’ (DMU) level between customer satisfaction, productivity, profit, staff turnover and accidents, and a composite index of employee satisfaction and engagement.

As regards attainment of goals via internal communications, it has been observed that (Table 5.1, Chapter III), there has been uniform improvement in core success components (CSC) of the surveyed organizations like product, quality, sales, profitability and workforce performance owing to conducive human resource practices followed by them. It is worth noting here that the improvement in core success components, as mentioned here, slotted well as per the conceptual model described by Kopelman, Brief and Guzzo (1990). (Kopelman RE, Brief, Guzzo RA, 1990). The role of climate and culture in productivity. In Schneider B (Ed). Organizational climate and culture. San Francisco, CA: Jossey-Bass). In their model of organizational functioning, these authors argue that HRM practices designed to improve productivity also influence one or more dimensions of work climate, conceived of here as “meaningful interpretations of a work environment by the people in it”. (p.290) For example, changes in pay and promotion policies might be expected to alter employee perceptions of reward orientation and possibly of equity and fairness; similarly, the introduction of training programmes, a practice that often improves productivity, is likely to have a positive influence on
employee perceptions of task support. Work climate in turn is posited to influence the cognitive and affective status of employees in the workplace, in particular, a work motivation and job satisfaction; and these psychological states serve to shape individual behaviours such as job performance which in turn have an effect on organizational productivity and performance.

All employees in an organization need development supervision. Supervision is a fundamental managerial function. It is a process of facilitating and monitoring individuals and teams to achieve business goals, and concurrently facilitating the development and growth of the individual teams. The traditional concept of supervision embedded the concept that the supervisor will plan while workers will execute the plan. The concept of development supervision is radically different from the traditional concept of supervision. It embraces hierarchy and responsibility, tasks and personal growth, individuals and teams, and task accomplishment and boundary management.

Development supervision relies heavily on the belief that responsibility is well spread amongst all the levels of the organizational hierarchy and that, managers and workers are equally reliable and trustworthy in their respective work areas. If an employee’s sense of responsibility is less developed then the supervisor must develop it. In addition, if the sense of responsibility is less developed in a group of employees, the supervisor is accountable as he is responsible for the deficiency. The task
of identification and initiating remedial measures are within the preview of development supervisions.

Developmental supervision also concentrates on organizational tasks and development of employees, work groups, and teams as it treats the efforts in accomplishing tasks and developing the workforce as being complimentary and reinforcing to each other. The supervisor helps to enhance knowledge and skills, improves problem solving capacities, and thereby integrates both task accomplishment and personal growth.

A team has its own dynamics. The characteristics of a team are that it operates with clearly defined goals and expectations. Members are given a great deal of personal freedom, makes decisions, shares information among team members, and sets high standards. Team members are disciplined, possess a sense of commitment, and share successes. A developmental supervisor needs to encourage its members working in a team due to the synergistic effect inputs. Members mostly solve the problems on their own.

A developmental supervisor delegates, empowers, and transfers the planning process to the team; he works as a member of the team keeping aside status symbols and gets involved in the task accomplishment. He never says ‘go and work’, rather he says ‘let us work’. Due to his involvement, he can read the pulse and never allows the work to slow down. Thus, a developmental supervisor views his task as boundary management, that is facilitates the work of his junior colleagues and procures the resources needed to progress the task with the plan. Figure
5 illustrates developmental process. With developmental supervision at the centre, hierarchy and responsibility, task and personal growth, individual and team and task accomplishment and boundary management are its connected coefficients.

Developmental supervision is also an important part of internal communications as a key component of the wider concept of internal marketing, because internal marketing covers all contacts with internal stakeholders. Internal communications need to be undertaken strategically to encourage employees to a ‘value adding’ attitude. This is analogous with the view of moss et al, (1997 in Dolphin, 2005), that a major part of internal communications is concerned with updating the front line personnel so that they can deliver a quality product or service.

**Figure-10 Developmental supervision**

![Diagram of Developmental Supervision](source: HRM, Uday Kumar Haldar, Juthika Sarkar, Oxford University Press, 2012)
Unfortunately, the reality in many organizations is that they know more about their customers than about their employees, although both audiences are critical to overall business performance.

The relation between IC and HRM: There are three perspectives in the relationship between internal communications and human resource management as under:

The first perspective regards internal communication as a responsibility of HR, rather than marketing or PR, because of a number of reasons, including a greater focus on the link between behavior and business results; an emphasis on leadership, coupled with an understanding that good leaders need to be good communicators; and the development of an integrated view of people. One of the reasons organizations position internal communications under the human resource department is the thinking that HR department has the best understanding of what the community inside an organization needs and wants. Sims (1994) agree, declaring that it is the responsibility of human resource management personnel to ensure that communication processes are fully functioning and that the human resource management function should be the primary conduit for open and integrative communications processes within an organization.

The second perspective does not offer clear boundaries between the fields. For example, Farrant (2003) (As quoted by Sincic Dubravka & Vokic’ Polaski Nina in
“Integrating internal communications, human resource management & marketing concepts into new internal marketing philosophy. FEB – working paper series 07-12) says that “contemporary internal communications work towards winning people’s participation and involvement in the enhanced achievement of the organization’s goals”. (p.14), precisely what HR mission is. Argentic (1998) (Ibid) stresses that “more than anything else, communication is the key to getting workers to become more productive,” while HR experts give evidence that it is HR goal. Among the tasks of internal communications, Dalton and Craft (2003) (Ibid, Argenti(1996) Ibid, Buffington (2004) Ibid) number the employee attitude survey, while various employee surveys are customary HR activities.

The third perspective stresses the importance of human resource management and communication skills to be brought for strategic advantage. As Argenti (1996) implies, although many of internal communications activities can be handled through human resource departments, “the communication itself and the strategy for communicating these ideas must come from communication experts in the corporate communication function”(p.80). Even more, internal communications should be less a problem for the human resource department and more an opportunity for everyone to work for the greater good of the whole organization. The idea of strategic collaboration is supported by Buffington(2004), who states that human resource department needs to “direct the schedule and the substance of what has to be released, but the communications department makes sure the
language is in an appropriate style for the audience and
decides the medium it will use for delivering the
information” (p.34). Ideally, both the corporate
communications and human resource departments should
have someone in charge of communications to employees.

4.2.4 Common characteristics and main differences
between the concepts

At the end of this analysis it should be
acknowledged that all three concepts have the following
common characteristics: 1. They are all essential to the
achievement of corporate goals; 2. They are all in strategic
relation to the business results; 3. They all aim and lead
towards more satisfied, loyal and productive employees; 4.
They are all based on a win-win paradigm; and 5. They are
all oriented towards the same target group, that is
employees, although they are labeling them differently
(internal market or internal customer for internal marketer;
internal audience, internal public or internal stakeholders
for internal communications professionals; and associates
or colleagues for human resource management
professionals). The analysis revealed that concepts overlap
to a great extent, while there are only few considerable
differences. The concepts differ in their operationalization,
in terms of their typical functional responsibility within
organizations, and principal responsibility for the
implementation. Responsibility for internal marketing is of
marketing or HR department; internal communications are
responsibility either of internal communications, public
relations, marketing or HR department; while the
responsibility for human resource management is on HR department.

4.2.5 INTEGRATION: A NEW PHILOSOPHY

There are researchers who think that traditional marketing concepts, principles, models and methods are fully viable to internal markets. However, the present research scholar regard classical marketing concepts and tools inappropriate to the internal markets. In the age of relationship marketing, it is more appropriate to introduce the idea of internal relationship marketing- a new internal marketing philosophy. As stated by Thomson and Hecker (Thomson, K, Hecker, L, 2000), Value-adding communication: Innovation in employee communication & internal marketing, Journal of communication Management 5(1) : 48-58), “unless they experience relationship marketing themselves, internal customers are never likely to understand or be motivated to use the approach to drive all their dealings with external customers or with other vital stakeholders within and around the organization”. (P.57-58)

Internal marketing seen as a relationship creates an organization built of networks, processes and projects, which impose interfunctional dependency. It implies the existence of an internal supply chain, comprising internal suppliers and customers. Internal exchange emerge along the value chain and all employees become a part of a value creation process. In that way, not only employees in contact with external customers are those who promote the marketing philosophy, rather it is broadened to all employees. The fact that very often back-office employees
“see themselves as disconnected from the customer, so they do not think about their performance in terms of customer satisfaction is consequently eliminated as the capability of serving customers effectively depends on both “full time” and “part-time” marketers.

Furthermore, instead of insisting on the differences and firm boundaries the areas of internal marketing, internal communications and human resource management, a new internal marketing philosophy should integrate their ideas. The term “internal marketing” therefore could be used as a synonym for the internal relationship philosophy, while internal communications and human resource management should be viewed as key activities in implementing that philosophy. This should, indeed, be the leading viewpoint in organizations, since both, external and internal marketing can not survive in isolation from other functions. As Gummesson (Gummesson E, 2001. Total Relationship Marketing, Butterworth Heinemann, Oxford) stresses, “Marketing management theory does not specifically address the dependency between functions, although many researchers pointed to the inadequacy of functional silos”. Marketing may be organized as a function (which is common in organizations), but marketing philosophy is spread throughout the organization. The same is true for internal marketing philosophy.

The new internal marketing philosophy requires the involvement of a number of departments working in unison. A collaborative approach and mutual respect for what each department brings to the table is needed. Alike is
pointed by Varey, (Varey R.J. 2001, Internal marketing communication, Marketing Communication, Taylor & Francis Ltd., Abingdon), who states that internal marketing management should be seen as “a holistic, systemic and corporation wide concept and should not be the exclusive responsibility of any department”. Internal marketing cannot and should not be the exclusive responsibility of any department (corporate communications, human resource management, marketing or any other). The cross-functional co-ordination between department should be encouraged. Marketing experts, for instance, should be involved in job analysis, recruitment and selection activities, performance and compensation management, training and development. Moreover, the impetus for a new internal marketing philosophy should come from the decision maker; the responsibility for the dissemination is on the middle management, while everyday implementation should be the responsibility of all employees.

For the successful implementation of internal marketing philosophy, particular attitudes and behaviors’ are required. The whole organization has to adopt internal marketing philosophy, organizational culture and management style have to support it, the philosophy itself should be aligned with external marketing strategy and organizational goals, and employees should understand their contribution to serving customers.

To sum up, internal marketing should be viewed as a management philosophy, rather than a short-term campaign to boost attention to customers. It should really be the convergence of a number of previously separate
business areas and techniques, such as strategic management, quality management, human resource management, corporate communications and customer relationship marketing.

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