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INTERNAL COMMUNICATION PROBLEMS IN A
MULTINATIONAL COMPANY: LAMOR GROUP

Bachelor's Thesis

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| <p>Tiivistelmä – Sammandrag – Abstract – Zusammenfassung:</p> <p>The subject of this Bachelor’s Thesis is internal communication at Lamor Group. The aim of the research was to find out how satisfied the personnel of Lamor companies is with internal communication, what matters the personnel would like to receive more information on, what are communication channels preferred to use and finding possible suggestions for improvement organizational internal communication in the company.</p> <p>Lamor is a family owned Finnish company founded in 1982, which specializes in environmental technology. The company is a market leader at the moment. It has a strong economical and financial position. It is a dynamically growing company which employs at the moment 67 persons.</p> <p>The theoretical part of the thesis consists of general information on organizational communication, internal communication, three basic theories of communication (Laswell’s Theory on Affectivity of communication, Shannon’s and Weaver’s Mathematical Theory of Communication and Newcomb’s Minimal A-B-X System), forms and channels of internal communication and problems in communication caused my multiculturalism.</p> <p>The empirical part is carried out by a qualitative research using a questionnaire. The number of returned questionnaires was 40 from the total 67 distributed. The research results show that the personnel of Lamor Group are not quite satisfied with the current internal communication.</p> | | |
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1. INTRODUCTION

People today spend most of the time of their lives in different kinds of organization: school, work, hobbies and etc. And for organizations to function it takes effective internal communication. The thesis was requested by Bent Larsen, the owner of Lamor Group. It is a medium size multinational company. It operates in more than 50 countries in the world, dealing with the oil-spill recovery. It is a dynamically growing company which employs at the moment 67 persons.

The year 2006 was very challenging for the company, they split the head office into 5 different companies, which helps operating the whole company easier, but brings a few problems into the internal communication due to the fact that people used to work side-to-side and now it is different, because the offices are located in different places. The beginning of year 2007 brought the creation of 3 more new offices, which didn't make the internal communication easier.

Today's employee is a different person in terms of values and needs than his or her counterpart in earlier decades. Most of today's employees are well-educated, have higher expectations of what they will get out of their careers than their parents did, and want to understand more about the companies they work for. (Argenti, 2007, 137)

The workplace of today is also different – tighter staffing, longer hours, greater workloads, and more emphasis on performance and the norm. The increasingly complex and highly competitive nature of today's business environment puts greater pressure on employees and also calls for more concerted effort in the area of internal communications. (Argenti, 2007, 138)

This study is done because a well-organized internal communication is very essential for the employees to be able to delegate work as well as inform the others about their status in projects and tasks. To be able to do that one has to communicate correctly, with the right and effective channel. There should be a functional way to keep everyone informed about things that everyone should know. One of the aims of this Thesis is to find functional guidelines for the

internal communication at the company that could be taken into use in everyday life in the office.

2.THESIS SUBJECT AND RESEARCH QUESTIONS

The subject of the Thesis is internal communication at Lamor Group and the problems it has due to the fact that it is a multinational company. The researcher will try to find the most functional practices for organizing internal communication at the company, what is the current situation in the company with the internal communication and how it could be improved.

It is essential to understand and acknowledge the terms “communication”, “organization” and “organizational communication” to be able to understand and conduct communication on an international organization. As is was suggested be Bratton and Jeffrey (1994, 258) “communication is founded and undervalued”.

Only a small portion of the people in most organizations has ever engaged in serious study of how the process of communication works. Communication is one of those things we deal with every day, so most of us assume we know quite a bit about it (Richmond and McCroskey 2001, 17)

2.1 Research problem and the objectives of the thesis

The objectives of the study are to find out the current situation of internal communication in Lamor Group and how to improve it. The research problem of this study is to find out if the internal communication in the company is not working as effectively as it could. May be there is a need to strengthen the internal communication in the company.

Lamor is interested in this research, because they would like to study their internal communication in the company, to study the channels of distribution of the information, how formal and informal communication works within the company, to see whether there is a problem in the communication in the company. They particularly want the researcher to come up with the clear solution if an internal bulletin is needed, if there is a need to have a person giving information on a regular base to all in Lamor, if the company needs to give employees the general information on strategic questions but avoiding the spread of the confidential information.

The main research questions of the Bachelor's Thesis are:

1. How the personnel of Lamor Group feels about the internal communication in the company at the moment.
2. What communication channels does staff prefer to use
3. How internal communication at Lamor Group could be organized for better functioning

2.2. Research method and content of the thesis

The method for this study is qualitative. The researcher chose to carry out the empirical part by creating a questionnaire for the employees at Group.

As the researcher is a part of the environment, working at the office, there will be the description of the working environment in the study. This way it would be easier for the reader to understand the questions of the questionnaire. Due to the fact that the researcher is still working in the company, the research subject has already been discussed with the employees at the office and everyone is willing for the research to take place.

The purpose of the theoretical study is to acknowledge readers with the main definitions of communication and internal communication. The research is based on a framework that leads the reader from the theoretical to the empirical study by first explaining fundamental concepts of communication process. Furthermore, there will be an explanation of the three Theories of Communication (theories of Shannon and Weaver, Laswell and Newcomb) and Internal Communication in an organization. To sum up the theoretical part the researcher is going to explain the forms and channels of internal communication and their usage based on the ideas of Åberg. The theory is based on the literature written by leading authors in this field, such as Blundel, Lee, Argenti and Wood. In addition, theory is supported by Richmond and McCrockey's organizational Communication for Survival and Bratton and Gold's Human resource management – theory and practice books.

There are a few limitations for this work, such as the researcher is going to concentrate more in the channels and ways of internal communication, and not so much in the content of internal communication. Another limitation is that this survey is not going to be given out to the workers at the lowest level, who actually produce the products, because they do not belong to the company. This is due to the fact that Lamor is using subcontracting and contract manufacturing, so the workers belong to other companies, but build the equipment for Lamor on contracting bases.

3. THE FLOW AND CHANNELS OF COMMUNICATION IN AN ORGANIZATION

Communication is an essential part of every day life. People interact with each other every day and that calls for communication. An American communications philosopher Lee Thayer has said that communication and functions of energy are the two basic elements in our lives. Communication affects our lives as much as nutrition or health. (Blundel, 2004, 2) That is why it is very important to know what communication is and what it includes.

Communication is the process by which information is transmitted between a sender and a receiver (Bratton and Gold 1994, 259). Communication is an event, a process. To be more precise, it is exchange of messages between the sender and the receiver. (Blundel, 2004, 3)

3.1. Communication process

According to Thomas J. Lee (2004) the fundamental purpose of communication in an organization is to enable and energize employees to carry out its strategic intent. It is essential for organizations to have the capability to quickly identify, send receive, and understand strategically relevant information. When making decisions on strategy and policy the necessity and the challenge of communication must be taken into account, and organizing the communication so that it functions effectively must be a part of the organization's strategic priorities.

Communication can flow in three directions: downward, upward and horizontally. As an example for downward communication we can use managers communicating with their subordinates. Upward communication flows to a higher level in the organization. Communication that flows between employees at the same level in the organization is horizontal communication. (Bratton and Gold, 1994, 261) There must be an effective balance between downward and upward communication (Hartley and Bruckmann, 2002, 2)

Communication should be an equal process between the sender and receiver in order to get the message through. Our ability to communicate is absolutely necessary for cooperation in society as well as a small group such as a small

organization. Communication even in small groups is two-way communication. (Blundel, 2004, 5)

3.2. Theories of Communication

There are many theories of communication, but for this study the researcher chose to tell about the basics of them. Laswell gave his theory for communication in 1948. It is basically put into words:

Who

Says what

Through which channel

To whom

With what effect?

Laswell's theory is concentrated on the study of mass media and effectiveness than the meaning of the message. One has to be able to observe and measure the change on the receiver's side, which transforms into a recognizable element in the process of communication. The recognizable element is called an effect. This theory is concerned of the effectiveness of communication, which is very important in every aspect of life. (Wood, 2004, 56) Effective communication in organizations is the very base for functional operations and employee satisfaction.

Shannon's and Weaver's "Mathematical Theory of Communication" is widely known and is the most important communication theory from which many of today's communication theories have developed from. They have presented a theory in 1949 by which it is possible to send a large amount of information through a given channel and measure every channels capacity to forward information. (Wood, 2004, 20)

Laswell split up the communication problems in five main questions, when Shannon contributes to this model with coding and decoding. Translating thoughts to words is called coding. Transforming characters to thoughts is

decoding. When people are in contact, they constantly code and decode their thoughts to digital characters. After receiving and decoding new information, the receiver will try to interpret the new information. (Encyclopedia Britannica Online, 2007)

As extra in this extended communication model Laswell positioned noise and interpretation. Due to coding the regular communication (including written language) is getting standardized. So, a new possibility is available: filtering and triggering of the communication. All this noise, filtering and misinterpretation by translation make it sometimes difficult to communicate. There is a mismatch between what the sender wants to communicate (and what the receiver does not receive) and what the sender unintentional communicates (what the receiver receives). (Encyclopedia Britannica Online, 2007)

Shannon and Weaver worked for Bell Telephone Laboratories in the US during the Second World War. Their most important channels were telephone cables and radio waves. The theory is based on technical and mathematical concepts; even so, it can be applied straight to human communication and interaction. (Wood, 2004, 21)

Shannon and Weaver identified three problem stages with their communication studies. They are as follows:

Stage A (Technical problem): How exact the symbols of communication are transferred? A symbol can be, for example, a word or a sound.

Stage B (semantic problem): How accurately can those transferred symbols clarify the desired meaning?

Stage C (effectiveness problem): How effectively the received meaning influences the desired way?

The technical problem on stage A is the easiest to understand. Trying to resolve the problem on stage A, Shannon and Weaver invented their communication theory, which is concerned on the Morse code. (Wood, 2004, 23)

Shannon and Weaver assume that meaning is part of the message and that is why by improving the code, one can improve the semantic clarity. This also includes even the cultural factors, which affect the meaning but are not specified in the model. Meaning of the message is as much in the culture as it is in the message. (Wood, 2004, 23)

When looking at effectiveness problem it seems like Shannon and Weaver see communication as manipulation or propaganda. A has only communicated with B effectively when B reacts the way A wants B to react. They see the affectivity of communication more as an effect, because the reaction is unusually emotional. (Wood, 2004, 24) The theory presents communication as a simple linear process as shown in figure 1.

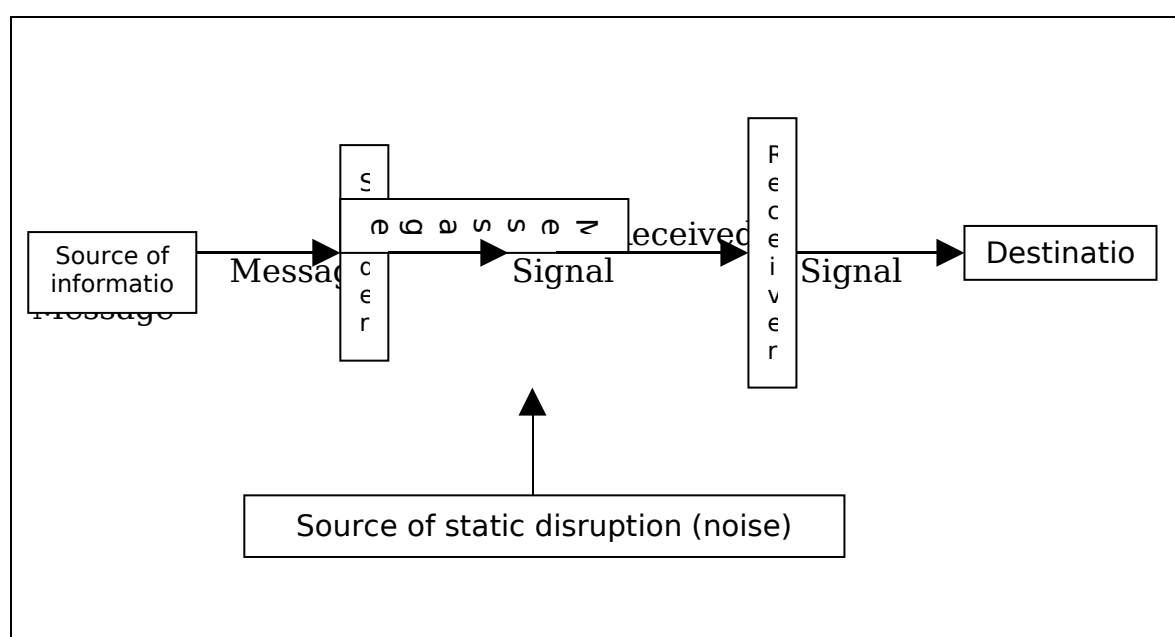


Figure 1 Shannon's and Weaver's Communication Model (Wood 2004, 23)

Richmond and McCroskey (2001) follow Shannon's and Weaver's Communication Model and lay it out as follows: "The essential components of the communication process are: source, message, channel and receiver, where the source is the person who originates the message". They have put Shannon's and Weaver's model in to a humane concept. It can be considered that the static disruption in the model might be just an uncomfortable chair or background noise in the office.

The two previously described theories are very strictly linear, but Newcomb in 1953 presents a totally different form: triangular as seen in figure 2. The focus on this theory is that it describes the role of communication in society and social relations. According to Newcomb the role of communication is simple: the meaning of communication is to maintain the balance in the social system. (Wood, 2004, 58)

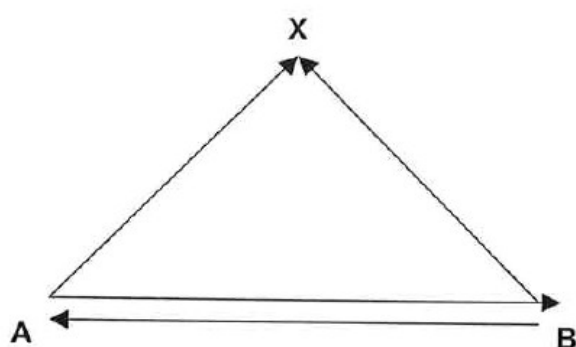


Figure 2. Schematic illustration of the Minimal A-B-X-system (Wood, 2004, 59)

The model works as follows. A is the communicator and B is the receiver. They can be individuals, management, the state or citizens. X is a part of their social environment. ABX is a system, which means that they are mutually dependent on their internal relations: If A changes it leads to that even B and X will change. Or if relation between A and X changes it means that B has to change its relation either towards A or X. (Wood, 2004, 58)

This theory shows how important communication is. If for example X changes there is a need for A and B to communicate with each other immediately and decide on their mutual orientation towards the new X. Wartime can be taken as an example. This increases the dependency on mass media for citizens because the status of war (X) changes constantly. So the citizens (B) and the state (A) have to have regular and constant communication through mass media to have the same information as well as be able to orientate mutually towards the war. (Wood, 2004, 59-60)

These models of communication can be directly applied to organizations. Richmond and Mc Crockey (1999) suggest that regardless of the type of organization, communication is the element that maintains and sustains relationships in it. What person A says to person B not only can have an impact on those two people, but since organizations are systems, it also can have a meaningful impact on the total system. The communicational behavior of individual employees plays a more significant role in organizational life than some think. Organizational communication is central to organizations success.

Communication is a complex non-linear process, with both the senders and the receivers sending feedback to each other. DeFleur recognized this and added feedback to the basic models linear models.

The meaning of the information or message being transmitted may be different for the sender and the receiver, and feedback enables both parties to work towards achieving a correspondence of meanings. Similar models, such as those created by Osgood and Schramm, and Dance, are even more circular or helical, demonstrating the dynamism and building nature of the communication process and the interactions between senders and receivers. The helix model leads to a convergence model, which is similar to the helix in terms of the learning structure of communications. This model shows the cycle of learning between participants, with an “emphasis on mutual understanding and consensus, on relationships within networks, which consist of interconnected individuals linked by patterned flows of information which provide continuous feedback.” (McQuail and Windahl, 1993)

There are challenges inherent with the actual practice of feedback.

- receivers are not always able to provide feedback directly to senders
- senders not always prepared or willing to receive feedback from receivers
- senders are more prepared, or more willing, to receive feedback from some receivers over others

Co-existent with feedback is the concept of feedforward, or the setting up of contingencies and planning for different types of feedback (as described by Mortensen). It represents the recognition of a larger communication strategy

on the part of the sender, an acknowledgement that there may need to be multiple iterations of the process before the message is decoded in a meaningful way by the receiver. (Simply incorporating a feedback loop does not necessarily promise this forethought on the part of the sender.) (McQuail and Windahl, 1993)

Currently, communication theorists have been moving towards more audience-centered models. These models are built on the conceptual notion of effectiveness.

An effective message changes a receiver's

- knowledge
- attitudes
- behavior

In order to design effective messages, a growing number of researchers and practitioners are urging participant or receiver collaboration with senders in order to design messages. This strategy means more than just including the pre-testing of materials and incorporating feedback into the second or third iteration of a message. This strategy is front-heavy, and means building receivers into the communications process much earlier (Zarcadoolas, Timm and Bibeault, 2001.)

Other audience-centered models:

- targeted marketing
- social marketing

These models, especially relevant within the public health context, are also message-oriented. People are involved to make the message effective, by affecting its tone, presentation, or spin. The message itself, whether in an advertising format or in a public service announcement, has already been determined, either by the producer or by society. (McQuail and Windahl, 1993). These message-oriented types of communication have the most relevance for

Lamor Group, since it is the effectiveness of the message in terms of achieving its goals.

3.3. Internal Communication in an Organization

For years, managers have focused on “customer care”. More recently, they have begun to dedicate the same kind of attention to their own employees, recognizing that employees have more to do with the success of a business than virtually any other constituency. A study by consulting firm Watson Wyatt concluded that the bottom line is that employee communication is no longer a ‘soft’ function but rather a business function that drives performance and contributes to a company’s financial success. (Argenti, 2007, 137)

Internal Communications in the twenty-first century is more than methods, publications, and broadcasts that comprise it. It’s about building a corporate culture and having the potential to drive organizational change. (Argenti, 2007, 137)

Internal communication is an important tool to construct a clear and precise company image inside the organization. At the same time internal communication supports the organization by securing the knowledge about the organization among the employees. (Dolphin, 2005, 171)

Internal communications may be defined as transactions between individuals and groups at various levels and in different areas of specialization and those transactions are intended to design and redesign organizations and co-ordinate day-to-day activities. (Dolphin, 2005, 172)

Internal communication is a complex, imperative process through which employees coordinate the work process essential to the functioning of any organization. Employees today are likely to want more information about the company for whom they work, so internal communication is the catalyst to organizational excellence and effectiveness and it should be continuous. (Dolphin, 2005, 173)

Publicity helps the employees in the organization to have a clear picture of the whole organization, the changes in it and the organizations future plans. For organization to exist it needs to handle publicity very well. (Argenti, 2007, 147)

All of the employees are organizations public relations people. The employees are expected to know everything about the organization where they work at. They will be most probably asked about the organization and they will have discussions for example of the current situation of the company. This is when internal communication becomes very important. If the internal communication is very well taken care of, it gives a whole staff preparedness to answer questions about the organization. It is essential to give the information in a clear and understandable way, so that it can be memorized and given as clear answers when receiving questions regarding the company. (Kalla, 2006, 141)

Planning internal communication in an organization requires information on the prevailing situation of how internal communication currently works. When making a communication plan the current methods and resources should be charted and seen if they meet the targets set for communication. The analysis of the current situation is based on the most significant fields of communication, defined by the organization. (Daniels, Spiker and Papa, 1997, 301)

An effective communication system needs three basic things according to Åberg. First, informative messages must move around in the system. Such things are matters like changes in the organization, appointments or big sales. Secondly the system must have databases from which person needing information can get the information quickly. Information is in a set place and the person needing information takes actions. Information like this is for instance telephone books, client registers or information on personnel benefits. And as the third basic thing for effective communication system, person in a need for information must know from where information can be found. This can be informed and reminded for instance in meetings or in informative email so people start to remember from where to look for which information. (Åberg, 2000, 182)

For internal communication to function as effective as possible internal communication channels and arrangements must be carried out so that the channel and information deficits are as narrow as possible. This can be done by concentrating on improving the way that informative messages move around in the organization, by creating set databases and by charting how the management communicates and making improvements in it. (Åberg, 2000, 185)

There are two kinds of information concepts in the organizational communication. They are basic assumptions regarding the working community and everyday matters. Basic assumptions are things like company's vision, mission, values and strategies. Everyday matters are things that aim at keeping the individuals interested in their work, their working community and working environment. Such everyday matters are for instance things like the economical situation of the working community, future plans and targets of the organization, changes in the organization, one's own work, training, personnel policy, leisure time activities, operations of other departments, products and services of the organization and current issues on the field of business or operational environment. (Åberg, 2000, 180)

There is an evident connection between satisfaction with the communication and the superior's leading skills and the atmosphere at the working community. Communication affects also working motivation. The most significant cause for communication deficit at organizations are verbal communication channels: superiors, management and meetings. (Gray and Robertson, 2005, 26)

Most of the information in a working environment is received from colleagues but it is not as appreciated as information that is received from a superior. Information that is received from colleagues is more often based on gossip and rumors rather than facts, it is so called unofficial communication, also called as grapevine. (Gray and Robertson, 2005, 26)

Internal communication in an organization is seldom simply functional or not functional; some of the things related to it just may need some improving. When planning a system for internal communication, first should be thought

who is responsible for informing whom, when, how and in which situations. It should be remembered that communication should be effective also in conflict situations and the less there is hierarchy in transmitting messages, more functional and effective communication.

3.4. Forms and channels of internal communication

An organization has three basic methods of transmitting information. Verbal communication ranges from casual conversation between two employees to a formal speech by the managing director. In face-to-face meetings the meaning or the information being conveyed by the sender can be expressed through gesture or facial expressions, what is referred to as non-verbal communication. Written communication ranges from a casual note to a co-worker to an annual report. Electronic mail systems and video machines have revolutionized written and verbal communication in organizations. (Bratton and Gold, 1994, 259-260)

Formal communication follows the organizations chain of command or hierarchy. The organizations informal communication network, the grapevine, is not based on hierarchy, but on social relationships. The grapevine is an important means through which employees fulfill their need to know about the organization. (Bratton and Gold, 1994, 261)

Forms and channels for internal communication can be categorized into four different sectors according to some of their basic features. Channels can be so called "close channels" or "distant channels" Close channels serve small working group's or an individual worker's needs. Distant channels transmit informative messages to the whole working community. (Åberg, 2000, 173)

Communication can be in a form of direct, personal communication between a small group of people or for instance two individuals, or transmitted communication through web to a small group of people. In this form of communication, methods normally used for mass communication are used, but in that case they are utilized for transmitting messages to a smaller, restricted group of people, as in mass communication the group receiving information is larger and more randomly chosen. (Åberg, 2000, 174)

Below there is a table drafted by Åberg demonstrating which are the communication channels and methods if the dimensions for communication are the ones described earlier.

Table 1. Channels for internal communication (Åberg, 2000, 174)

| | Close channels | Distant Channels |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Direct communication | Immediate superior Other superiors Department meetings Unofficial occasions to exchange information Colleagues | Briefings Cooperation Committees and elected officials Meetings and negotiations Direct communication with the management Colleagues in other departments |
| Transmitted communication | Department's Bulletins Board Department's circular letters Personnel Magazine Web communication | Bulletins Board Circular letters Personnel magazine Customer magazine CEO's review Annual report Databases in the web Video news Internal radio Telephone news Web communication Union's communication Mass media |

Channels for direct communication are for instance one's immediate superior, other superiors, different kinds of meetings such as department, team or project meetings, negotiations, work colleagues and work friends, exchanging information on informative forums and direct communication with the management. (Åberg, 2000, 174)

Basics for all internal communication is the superior – employee network. Meetings are regular gatherings for teams or department personnel. In those meetings mainly operative issues relating work are discussed but also some other things can be dealt, for instance news in the working community. Most of the operative information on work goes horizontally from a worker to another and many matters are transmitted through so-called grapevine. It can be an effective and reliable source for information but when being highly effective, it can make worse the atmosphere at the working environment. (Åberg, 2000, 175)

Unofficial occasions for exchanging ideas and opinions are also very useful and enable randomly people to come up with good, creative new ideas. Basis for such forums can be for instance a room where the workers take their coffee break and chat with colleagues who happen to be there at the same time. (Åberg, 2000, 175)

Communication with management is very significant for employees, and managers should be visible among employees regularly, especially when the organization is very hierarchical or scattered to an extensive area geographically. For this managers should arrange situations to meet employees and come to the office and walk around and chat with personnel. (Tourish and Hargie, 2004, 76)

Distant communication channels transmit messages within the whole working community. Target group for these messages is wider than one working unit or individual member of the working community. Most of the distant channels are the same as in mass communication. Personal communication that is based on instant interaction is used in this dimension only very little, only in briefings and in cooperation organs. (Åberg, 2000, 176)

Briefings or informative meetings are in general held when something highly important happens in the organization and which affects the whole community's work. Such briefings can be a very effective form of internal communication if conducted professionally. It reaches several recipients at the same time and enables also interaction between the sender of the information and the recipients of the message. (Åberg, 2000, 176)

For communication for a restricted group of people same methods are used in a mass communication. Channels for such communication are for instance the bulletin board, circular letters, CEO's review and personnel magazine. (Åberg, 2000, 177)

According to Åberg informative channels are used so that the most significant channel for getting information on one's own work is through the immediate superiors. Information on one's working unit and profit done in it is received from one's immediate superior or from department/unit meetings. Information relating to other units and departments is looked for in the informative brochures or newspapers. Information on the whole organization is received from briefings, personnel magazine, own superior or CEO's review. Information on training or leisure time activities is received from superiors or personnel magazine (sort of internal bulletin). (Åberg, 2000, 180)

As a conclusion Åberg crystallized that personnel uses different information channels selecting them carefully. Issues close to an individual, such as one's own work and working unit, are discussed with superior or in unit meetings. Information on more distant matters relating other departments or the whole working community are received through communication between colleagues, briefings and one's immediate superior. These habits to search for certain information from certain sources develop with the years. (Åberg, 2000, 180)

One's superior is a so called general source of information. Employees go to their superior when needing nearly any kind of work related information except matters relating to other divisions or working units. (Åberg, 2000, 180)

3.5. Internal communication cross-cultural problems

All communication is cultural - it draws on ways people have learned to speak and give nonverbal messages. They do not always communicate the same way from day to day, since factors like context, individual personality, and mood interact with the variety of cultural influences people have internalized that influence our choices. Communication is interactive, so an important influence on its effectiveness is the relationship with others. (LeBaron, 2003)

The challenge is that even with all the good will in the world, miscommunication is likely to happen, especially when there are significant cultural differences between communicators. Miscommunication may lead to conflict, or aggravate conflict that already exists. People make -whether it is clear to them or not - quite different meaning of the world, their places in it, and relationships with others. Cross-cultural communication is usually outlined and demonstrated by examples of ideas, attitudes, and behaviors involving four variables:

- Time

Time is one of the most central differences that separate cultures and cultural ways of doing things. In the West, time tends to be seen as quantitative, measured in units that reflect the march of progress. It is logical, sequential, and present-focused, moving with incremental certainty toward a future the ego cannot touch and a past that is not a part of now. It is called monochronous.

In the East, time feels like it has unlimited continuity, an unraveling rather than a strict boundary. Birth and death are not such absolute ends since the universe continues and humans, though changing form, continue as part of it. People may attend to many things happening at once in this approach to time, called polychronous.

- Fate and Personal Responsibility

Another important variable affecting communication across cultures is fate and personal responsibility. This refers to the degree to which people feel themselves the masters of their lives, versus the degree to which some see themselves as subject to things outside the control. Another way to look at this is to ask how much people see themselves able to change and maneuver, to choose the course of their lives and relationships.

- Face and Face-Saving

Face is important across cultures, yet the dynamics of face and face-saving play out differently. The starting points of individualism and communitarianism

are closely related to face. If someone sees himself as a self-determining individual, then face has to do with preserving that image with others and himself.

If person sees his primary identification as a group member, then considerations about face involve whole group. Direct confrontation or problem-solving with others may reflect poorly on that group, or disturb overall community harmony.

- Nonverbal Communication

Nonverbal communication is hugely important in any interaction with others; its importance is multiplied across cultures. This is because people tend to look for nonverbal cues when verbal messages are unclear or ambiguous, as they are more likely to be across cultures (especially when different languages are being used).

As the familiarity with these four different starting points increases, people are cultivating cultural fluency - awareness of the ways cultures operate in communication and conflict, and the ability to respond effectively to these differences. (LeBaron, 2003)

Each of the four variables discussed - time, personal responsibility and fate, face and face-saving, and nonverbal communication - are much more complex than it is possible to convey. Each of them influences the ways of communications, and can be responsible for conflict or the escalation of conflict when it leads to miscommunication or misinterpretation. A culturally-fluent approach to conflict means working over time to understand these and other ways communication varies across cultures, and applying these understandings in order to enhance relationships across differences. (LeBaron, 2003)

4. LAMOR GROUP

Lamor is a family owned Finnish company founded in 1982, which specializes in environmental technology. LAMOR (Larsen Marin Oil Recovery) is the brand name for the company's product range, of which the stiff brush skimmers are a key feature. Lamor's product range includes, in addition to skimmers, heavy duty pumping systems, oil containment booms, oil storage systems, beach cleaning systems, land remediation equipment, portable power supplies and industrial process equipment. Also work boats, barges and land transportation systems that support oil recovery work are produced in the company.

4.1. Lamor Group, its mission, vision and values

Originally the company started as Lamor Corporation Ab, founded by Larsen's family. After 24 years of its effective functioning Lamor grew into Lamor Group Ltd in August of 2006. The reorganization took place due to the fact that the company is expanding and this way it is easier to control all the aspects of company's business.

The company's structure (figure 3) is now looking so that Lamor Group Ltd is the principal owner of all the companies such as Lamor Corporation Ab, Lamor Technics, Lamor Marketing, Lamor Asia Co. Ltd, Lamor Corporation LLC, Lamor Corporation UK Ltd, Lamor Hong Kong, Clean Globe International and Lamor GDV.

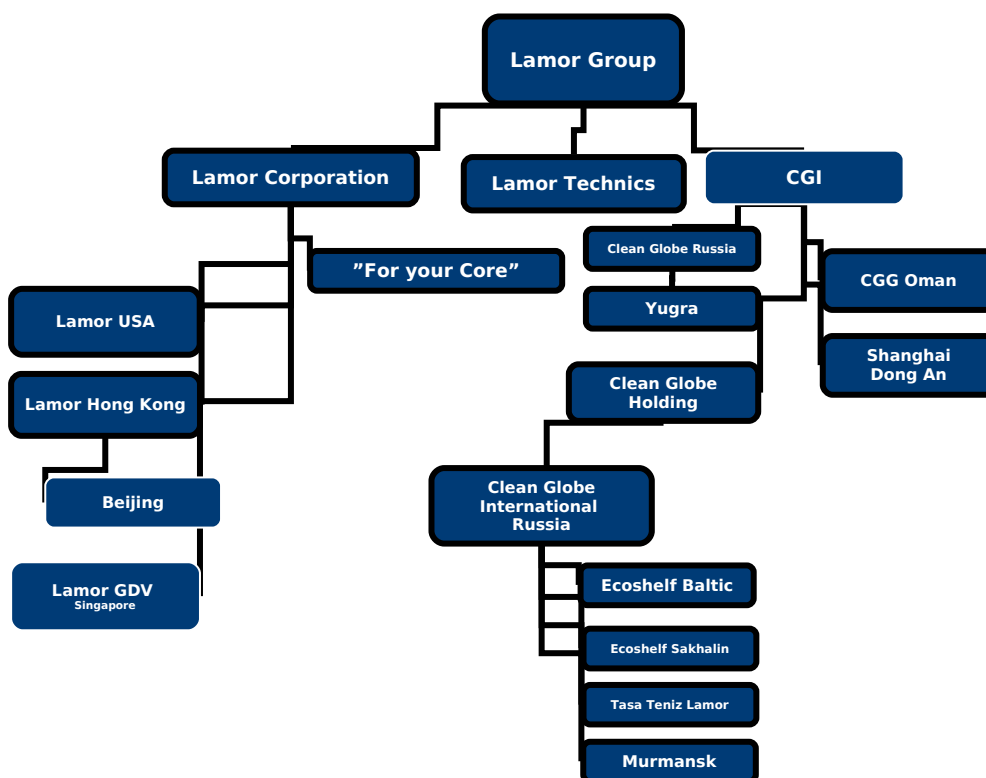


Figure 3. Lamor Group's organizational structure

The company is a market leader at the moment. It has a strong economical and financial position. Now there is a strong growth in the areas that Lamor is well established.

Lamor Group aims to promote a long-term economic growth, social stability, to assist prosperity and progress, to provide preservation of a favorable environment and rational use of natural resources.

Moreover, the company is willing to provide stable and long-term growth of business and in-time transformation, to be the reliable supplier of oil spill recovery equipment in the global market.

The main goal of the Personnel Management Policy at the moment is to create such working atmosphere, where all the employees have their personal opinion, which could be said out loud, where the information can circle around the company between the employees keeping them up-to-date and at the same time the information should stay within the company and not leak to the competitors.

There are altogether 26 employees at the company's headquarters, and 40 people working in subsidiaries and other offices. All in all there are 66 people employed in the company. As the researcher mentioned earlier in this report Lamor is using subcontracting and contract manufacturing for its production, that is why it is considered that all the actual worker who work in productions units aren't included as Lamor's personnel.

The main management of the company comes from Lamor Group Ltd, which is, as it was mentioned earlier, a full holding company of the Lamor company structure. It controls the group strategy, helps and steers business development, supervises in administration and financing, plus does the strategic management.

Lamor Group is a multinational company, due to this fact there is no official language spoken in the company. Mostly the spoken languages are Finnish, Swedish and English. Commonly used languages to speak with the customers are also Russian and French.

4.2. Present situation with internal communication at Lamor Group

There is no doubt that there is internal communication present in Lamor Group. There are different communication channels used in every day working life. Some are working every effectively, some just exist. The point of the survey is to identify which one of those channels are effective and which need improvement. At the moment there are 10 different communication channels use in Lamor.

4.2.1. Face-to-face conversations

Face-to-face communication has naturally a remarkable role in every day communication in Lamor. The offices are planned and built so that no one has their own separate room, except for the CEO's and vice presidents. Everyone sits in the same big open space, which is divided by very thin walls and practically shows everyone's work place. When someone needs to ask something, they usually go and ask, if that happens within one office; sometimes people don't even need to get up because the walls are so thin that

you can just ask and the person sitting next to you will answer. Concerning this, face-to-face communication in each office of the company is easy, it is different when speaking about the communication between the offices.

4.2.2. Group meetings

All staff gathers together for a meeting very few times a year, usually there is a staff meeting before the Christmas party where they discuss what has been achieved, what has changed in the past year, and what the future plans are. Sometimes they gather together if some major changes are going to take place, to inform everyone about them.

4.2.3. Personnel meetings

Personnel meetings are organized within each separate company and usually within one department (sales meetings, accountant meetings, board meetings), not all of them together. Those kinds of meetings are organized usually every other week. At the meetings they usually talk about the current issues happening in their departments, what needs to be done, who will be responsible for what, what has been done already and etc.

4.2.4. Email

Email is one of the most important ways of internal communication at Lamor Group. Email is used very widely in the company for communication with the customers, with each other and for informative purposes. The working day of each employee starts with reading his or her email. All the important information that anyone would like to send to the colleagues or customers usually goes with the email. Even the product certificates first go in scanned versions to the customer and only then the customer gets the originals by

post. This way the customer doesn't have to wait for 2-3 days and can start continuing the work on the project.

4.2.5. Skype messenger

Messenger is commonly used to communicate with the colleagues starting from communicating within your office and going up to skype-calling the colleagues from different countries. It is easy to use and doesn't cost much. If you really need some urgent information, you can just call your co-workers or send them a message. You can as well transfer files with this program and have a multiple chat with several people. Even though in many companies messengers are prohibited, because they are considered to be destructive, in Lamor it is officially used.

4.2.6. Company's web-pages

Lamor has its web-pages in five different languages. There anyone can find the information about the company, contact details, products, services and other useful information. In the survey the researcher will try to find out if this channel is useful for the employees, or it is just for external use.

4.2.7. Corporate calendar in outlook

As it was mentioned earlier emailing is a big part of internal communication in Lamor. Everyone uses Microsoft outlook for that purpose. The programs also has the feature of having corporate folders, such as client addresses and corporate calendars. In the calendar anyone belonging to the net can find the information, who is in the office, who has a meeting, when the person is busy, free, on a business trip, on vacation or even ill. It is easy to see without going and asking a person about their schedule. That way if you need to plan your meeting and you would like certain persons to be present there as well, you can figure the most suitable time just by looking at the corporate calendar. There you can also find the information about the Holidays in different offices.

For example national holidays in China are different from the national holidays of Finland, it is essential to know when some of the offices are closed.

4.2.8. Data-DVD and Data-CD

Company has its own Data-DVD and Data-CD, which contain the information about company and its products. This are as well means of communication, but mostly those sources are given to the newcomers, so they can get familiar with the products of the company and its operations. Those means of communication are as well used for external communication and given out to the customers. There are several questions about those data-drives in the questionnaire to see if the personnel uses them to get any information.

4.2.9. News bulletin

Lamor periodically issues the external news bulletin, which is normally sent to the customers for them to find out the news of the company, but every now and then the employees of the company read it as well to see if there are any news they have missed. At the moment the head of the Lamor Group is interested if there is a need of internal news bulletin. It used to exist a while ago, and now there is a question if it should come back to use.

4.2.10. Company's internal server

One of the most important information sources and means of internal communication in Lamor Group is the company's internal server. By the server the researcher means a company's data base, which is located on the specially made server. Everyone from the company has an access to it, there you can find anything, like information about the clients, information about the projects, products, employees and etc. It is also very useful, for example, when the project is being carried out, you can see what documents have been made and sent to the customer, what is still missing, what the customer has ordered, what are the requirements and etc.

5. ANALYSIS OF THE SURVEY ABOUT LAMOR INTERNAL COMMUNICATION

Once management knows how employees feel about the communications they are receiving internally and whether they understand its messages, it can implement an internal communication infrastructure to meet those needs. If an infrastructure is already in place, it can be adjusted or enhanced as necessary based on the audit results. (Argenti, 2007, 140)

Once goals for an internal communication program are established and decisions made about where the function should report, the program is ready for implementation. In smaller organizations, internal communications may be a part of everyone's job since the ideal method of communicating with the employees is one-on-one or in meetings with small groups of employees. Even in larger organizations, however, this intimacy in the internal communication effort is a good start for building a more formal program. (Argenti, 2007, 142)

5.1. Background for Lamor internal communications study

The best way to assess the effectiveness of a company's internal communication efforts is by determining what employees' attitudes are about the firm. (Argenti, 2007, 139)

The researcher is going to conduct a survey using a questionnaire to identify strengths and weaknesses of the company's communication process to see how the employees feel about the internal communication of the company, what are the channels used for internal communication and at the end to help the company to develop possible solutions to communication problems.

Questionnaires are at their best when they are well designed and when the researcher is trying to find out concrete and unambiguous phenomena. Questionnaire is a reactive method aiming straight to awareness. (Metodix 2007).....

Since the idea of a qualitative research is to interpret and create an explanation for the studied phenomenon the data will be collected by a questionnaire. (Metodix 2007)

The question types used in this questionnaire are fixed-alternative and open-ended and the rating scale is itemized. The rating scales used are itemized and comparative. The forms of question response in this research were open-ended, dichotomous (yes-no questions) and multichotomous (multiple) questions. Attribute measurement methods were nominal and ordinal. For the attitude rating scale method was used the Likert's method of summarized ratings – a statement was made and people had to indicate their degree of agreement or disagreement on a five point scale (Strongly Disagree, Disagree, Neither Agree Nor Disagree, Agree, Strongly Agree). (Daphne Gray-Grant, 2006)

As noted in chapter 2.1 the objective of this study is to chart out the present communications situation, communication channels, and personnel's opinions concerning the status of Lamor Corporation's international internal communication. The purpose is also to find out which channels of internal communication are the most effective and what is considered to be not important within the company's internal communication. All that is done by observing the communications systems in the company (see chapter 4) and by using a questionnaire (see appendices 1 and 2).

The questionnaire was delivered by email and in person to 62 people of Lamor personnel, which is a 100 %. As the researcher mentioned earlier in chapter 2.2 Lamor's personnel doesn't have production workers included, because they don't belong to Lamor directly.

The researcher got altogether 40 answers which makes the answering percent to be 65%. This is quite high percentage which shows that Lamor personnel consider communication issues important in their work life.

5.2. Background variables

All the background variables below are clarified for two reasons. One reason is to find out in details what kind of group of informants is behind the answers below. It is beneficial for Lamor to know whether all kinds of employees have answered the questionnaire or it is only some homogeneous group of people

(e.g. all from the same division) who are interested in the internal communication matters.

As the results below show the questionnaire was answered by people of different ages, employment times, English skills and positions in organizational structure of the company, different divisions and companies of Lamor Group. The group of informants seem therefore to well represent all the employees of Lamor, and the answers can be seen to be equivalent to the general opinions.

The other reason for analyzing background variables is to be able to specify some factors that can affect the results (summaries of all gained answers). It is good to compare the summarized results with the mean results of each background variable group in order to find out whether informants with some equal background factors have answered the question divergently.

The figure 4 shows that 20 % of the respondents are under 30 years old, 50 % are 30-49 years old and 30 % of respondents are over 50 years old. This means that a half of respondents are between 30 and 50 years old.

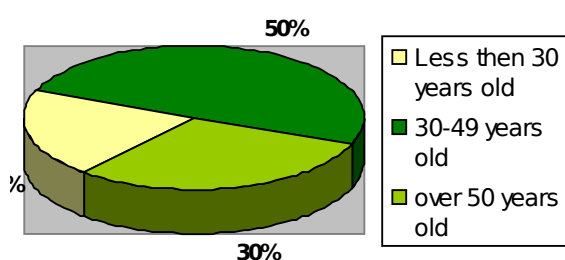


Figure 4. Ages

As mentioned in chapter 4.1 Lamor has 8 offices: Lamor Group Ltd, Lamor Corporation Ab, Lamor Technics, Lamor Marketing, Lamor Asia Co. Ltd, Lamor Corporation LLC, Lamor Corporation UK Ltd and Lamor Hong Kong. At the moment Lamor has opened a new office Lamor GDV, but due to the fact that the company has been just formed and the people are employed not for a long time yet, they were not included in the questionnaire. Due to the fact that Lamor Hong Kong office was established and opened one month ago, there

were no replies from them either. They are still in the process of settling down in Hong Kong, so no answers came from there. Otherwise figure 5 shows that the answers we sent quite proportionally and all the other offices mentioned earlier took part in the survey.

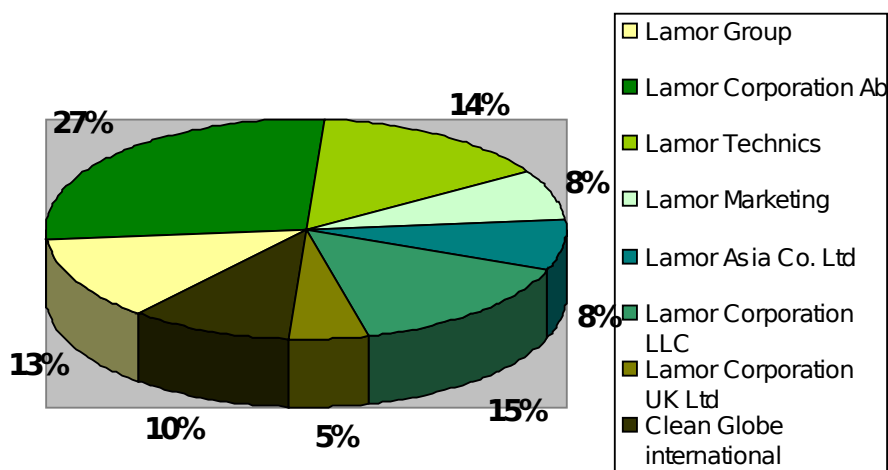


Figure 5. Offices responded

The answers up on the question about how long the informants have been working for Lamor showed that it was almost even, only one person said he was working for Lamor more then 10 years, 18 people said that they were in Lamor 2 years or less, and 21 persons worked for Lamor from 2 to 9 years (figure 6).

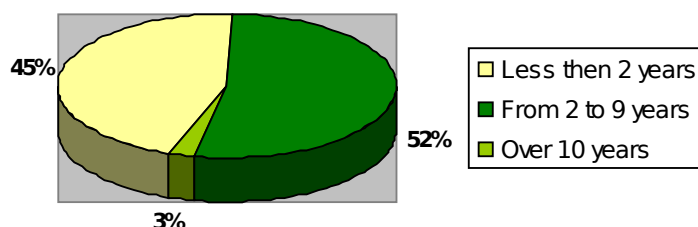


Figure 6. Employment Length

The respondents were asked what was their division: administration, sales, production or assistant work. It was surprising that administration took a very

active part in the survey. The results are below in figure 7. There was a small open-ended part of this question, where the respondents were asked to put their position in the company. It is interesting to notice that three vice presidents of different Lamor companies and two CEO's took part in the survey, which shows their direct interest in the results of the survey.

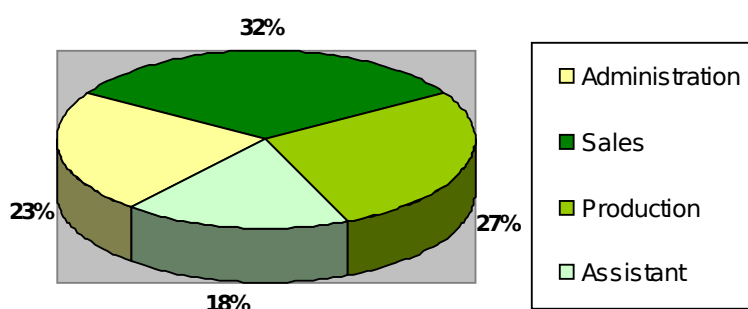


Figure 7. Divisions

The last question of the background variables handled the personnel's English skills. The informants were asked to judge their English proficiency level with alternative high, moderate and basic. As figure 8 shows, most of the respondents (64 %) have high English proficiency level, 33% think that their English level is moderate and only 3% of the respondents think that they have basic English proficiency level.

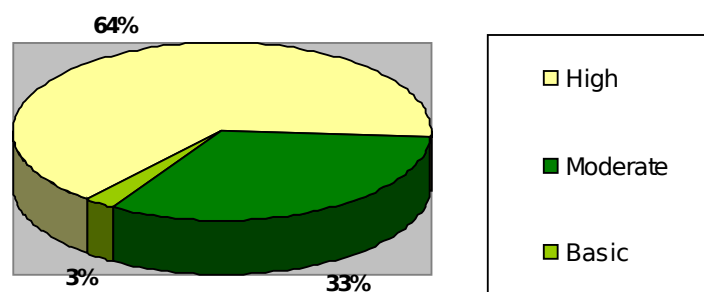


Figure 8. English proficiency level

5.3. Informing and satisfaction

Today's employees increasingly are demanding participation in the conversations that are driving organizational change. This participation is vital to keeping employees at all levels of the organization – regardless of job role or responsibility – tapped in, fostering a more genuine sense of community in companies large or small. In light of this, communication must be a two-way process. Employees today expect that when their opinions are solicited and they take the time to share feedback, senior management will listen – and act upon it. (Argenti, 2007, 138)

Informing is one of the main factors in organizational communication contents. This means that internal communication is needed to inform the personnel about what goes on in the working environment. This is done by personal communication in form of, for example, meetings, phone calls and mail as well as with the help of indirect channels. (Argenti, 2007, 138)

In Lamor internal communications study the questions number 6 to 8 (see appendix 2) concern the personnel's information needs and desires. The objective for these questions is to find out whether the employees get enough information about the company and its products, operations, customers, economy and future plans. Other intentions are to find out what the staff would like to get more information about, and to discover if the informants find some information they get to be unnecessary.

As figure 9 shows 70% of the respondents state to get enough information about the company. All the other figures are a little smaller, only 58% of the people get enough information about company's customers. Half (50%) of the respondents don't get enough information about company's operation. Only 45% of the people get enough information about company's economy and company's future plans. The smallest number, only 40 % of the respondents, say that they get enough information on company's strategy and only 47% of the employees that took part in the survey state that they know company's mission and values.

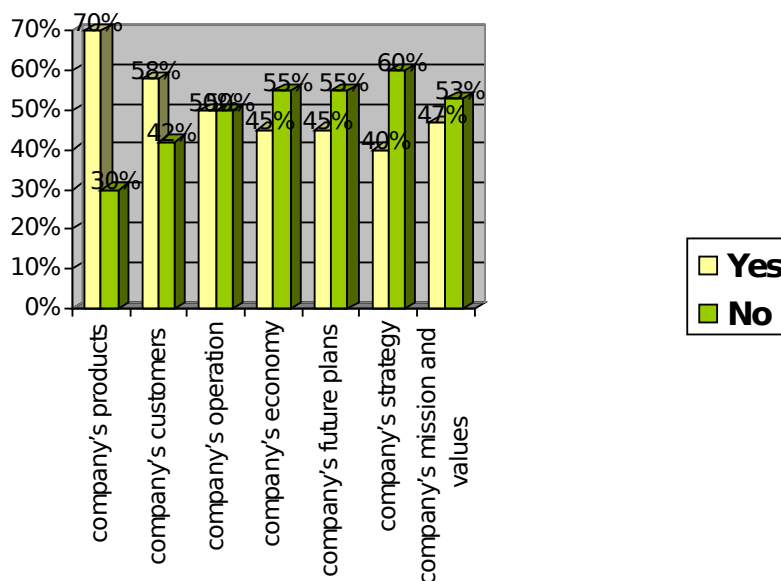


Figure 9. Respondent's answers on the question of whether they get enough information on the following operations: company's products, customers, operation, economy, future plans, strategy, mission and values.

Lamor personnel seem according to the results above to be most satisfied with the amount of the information they get about the company's products. On the other hand there should be something done about informing the personnel about the other spheres of company's operations. The results reveal that Lamor personnel wants more information especially about the company's strategy, economy and future plans.

When looking at the background variables it is quiet clear that people who worked for Lamor less then 2 years are most eager to get more information. They state most often not to get enough information considering every other aspect but not the company's future plans. People over 50 years old are most willing to get more information about the company's future plans as well as those who are 30-49 years old.

Sales personnel seem to require more information about the company whereas production personnel wants to know more about the company's customers. Three of all sales, production and assistants require more information about the company's operations and economy, while administration seem more satisfied on the amount of information they get on all of the mentioned aspects.

People working in other offices than the ones located in Finland are more satisfied with the amount of information they get on the company's operations, but they are more eager to get further information about the company's future plans.

When asked the following question if the personnel would like to get more information and if yes, what (in addition to the factors above) would it be, 47% of the respondents answered that they would like to get more information. Most of the informants that answered this question wanted to have more information about things related to the company itself, like information about the new products, updated information about the current products. One of the problems that was pointed out from the office of Lamor Asia Co. Ltd was that they can not access to Lamor headquarters information server.

Almost 15% of the respondents to this question said that they would like to have some information about the success stories, for example, big tenders or orders received, to motivate the others. Altogether 5% of the respondents were interested about the competitive information, their pricing, product feature and performance compared to Lamor's.

The next question was if the personnel gets some information that they think is unnecessary, only 20% of the respondents answered yes. Among the answers what is that the most common from the offices in Finland was: "private photos should be cleaned from company's server", and the offices abroad stated that they would prefer not to get information sent to them in Finnish, in their opinion global communication should be reorganized.

Questions 9 and 12 (see appendix 2) are made using Likert's agreement - disagreement scale. The employees were asked to point their position on the given agreement - disagreement scale. It gave them different positions to choose from: strongly agree, agree, neither agree nor disagree, disagree and strongly disagree. The answers have been analyzed using the median, because the agreement - disagreement scale was coded afterwards as giving strongly agree come number 5 to strongly disagree number 1.

Question 9 directly asked the respondents about their opinions on satisfaction with the internal communication at Lamor. This statement was related to the first research question of the study.

“Internal communication at Lamor is effective enough”

| | Value | Frequency | Median |
|----------------------------|-------|-----------|--------|
| Strongly agree | 5 | 1 | |
| Agree | 4 | 12 | |
| Neither agree nor disagree | 3 | 8 | 3 |
| Disagree | 2 | 15 | |
| Strongly disagree | 1 | 4 | |

This gave median 3, which tells that the internal communication in Lamor at the moment is not good enough, but not bad either. Some things need improvement.

Question 12 was made to indicate which channels help to communicate better inside the office. This statement listed all the communication channels at the office at this moment. It was meant to find out, which ones help to communicate better as well as to find the answer to the second research question concerned about which communication channels are in use.

| <u>Company’s web-pages</u> | Value | Frequency | Median |
|-----------------------------------|-------|-----------|--------|
| Strongly agree | 5 | 0 | |
| Agree | 4 | 9 | |
| Neither agree nor disagree | 3 | 15 | 3 |
| Disagree | 2 | 11 | |
| Strongly disagree | 1 | 5 | |

| <u>E-mail</u> | Value | Frequency | Median |
|----------------------------|-------|-----------|--------|
| Strongly agree | 5 | 23 | 5 |
| Agree | 4 | 15 | |
| Neither agree nor disagree | 3 | 1 | |
| Disagree | 2 | 1 | |
| Strongly disagree | 1 | 0 | |

| <u>Skype messenger</u> | Value | Frequency | Median |
|-------------------------------|-------|-----------|--------|
| Strongly agree | 5 | 16 | |
| Agree | 4 | 13 | 4 |
| Neither agree nor disagree | 3 | 6 | |
| Disagree | 2 | 3 | |
| Strongly disagree | 1 | 2 | |

| <u>Outlook corporate calendar</u> | Value | Frequency | Median |
|------------------------------------------|-------|-----------|--------|
| Strongly agree | 5 | 0 | |
| Agree | 4 | 9 | |
| Neither agree nor disagree | 3 | 15 | 3 |
| Disagree | 2 | 11 | |
| Strongly disagree | 1 | 5 | |

Data-DVD

| | Value | Frequency | Median |
|----------------------------|-------|-----------|--------|
| Strongly agree | 5 | 1 | |
| Agree | 4 | 4 | |
| Neither agree nor disagree | 3 | 18 | 3 |
| Disagree | 2 | 6 | |
| Strongly disagree | 1 | 1 | |

Data-CD

| | Value | Frequency | Median |
|----------------------------|-------|-----------|--------|
| Strongly agree | 5 | 1 | |
| Agree | 4 | 6 | |
| Neither agree nor disagree | 3 | 15 | 3 |
| Disagree | 2 | 6 | |
| Strongly disagree | 1 | 2 | |

News Bulletin

| | Value | Frequency | Median |
|----------------------------|-------|-----------|--------|
| Strongly agree | 5 | 4 | |
| Agree | 4 | 33 | 4 |
| Neither agree nor disagree | 3 | 1 | |
| Disagree | 2 | 0 | |
| Strongly disagree | 1 | 2 | |

| <u>Staff meetings</u> | Value | Frequency | Median |
|------------------------------|-------|-----------|--------|
| Strongly agree | 5 | 21 | 5 |
| Agree | 4 | 13 | |
| Neither agree nor disagree | 3 | 4 | |
| Disagree | 2 | 1 | |
| Strongly disagree | 1 | 1 | |

| <u>Face-to-face conversations with upper management</u> | Value | Frequency | Median |
|----------------------------------------------------------------|-------|-----------|--------|
| Strongly agree | 5 | 21 | 5 |
| Agree | 4 | 14 | |
| Neither agree nor disagree | 3 | 4 | |
| Disagree | 2 | 0 | |
| Strongly disagree | 1 | 1 | |

| <u>Company's server</u> | Value | Frequency | Median |
|--------------------------------|-------|-----------|--------|
| Strongly agree | 5 | 8 | |
| Agree | 4 | 21 | 4 |
| Neither agree nor disagree | 3 | 8 | |
| Disagree | 2 | 2 | |
| Strongly disagree | 1 | 1 | |

Email, staff meetings and face-to-face conversations with upper management are considered to be the most effective ways of internal communication. Skype messenger, external news bulletin and company's information server seem to be helping to have better internal communication than Data-CD and Data-DVD, outlook corporate calendar and company's web-pages. There was no medians lower than 3, which means that overall channels are working, but still not all of them as effectively as they should.

5.4 Internal communication channels at Lamor

The use of internal communication channels is charted here on the basis of the answers for questions 10-13 (see appendix 2). First the commonness of the use

of different channels is studied, and then the most important internal communication channels are discussed.

As figure 10 shows the most common way to get internal information is by using the email, absolutely all the respondents chose it as the primary source for getting the information. The second one most commonly used surprisingly was news bulletin with 75% and the third place was taken by staff meetings (67%).

The most “unpopular” ways of getting the information internally were Data-CD (15%) and Data-DVD (21%). Over half of the informants think that face-to-face conversations with upper management (62%) and company’s internal information server (57%) are useful for internal communication.

Little less common way to get information are the use of outlook corporate calendar (48%), skype messenger (45%) and company’s web-pages (42%)

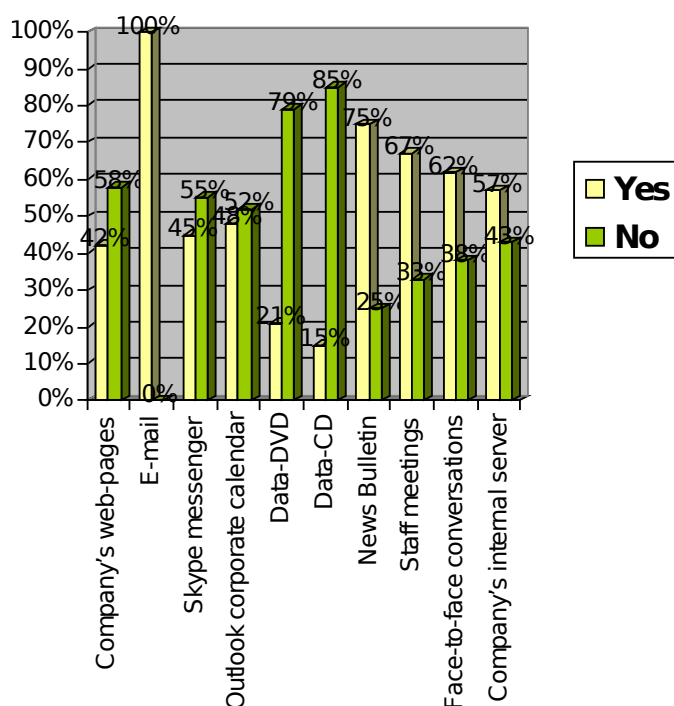


Figure 10. Use of different information channels at Lamor

Up on the question whether there are some other ways to get internal information 25% of the respondents answered yes, and among the most

common answers on what that might be there were rumors, gossips, informal discussions and telephone conversations.

Half of the respondents (50%) answered on the question what are the most important information sources for them personally that those are email, skype messenger, internal information server and personal contact. Also there were quite unusual answers like “product descriptions from quotes” and “old product drive on the old server”.

5.5 Functionality of Lamor internal communication

Questions 15-21 handled about the functionality of internal communication at Lamor. The employees had a chance to estimate the functionality of certain communication aspects and give their opinions on the questions concerning some innovations which the management wants to implement.

Question 14 is again using Likert’s agreement-disagreement scale. Here the respondents have to say how well the information flows upward, downward and horizontally. As seen in the following all the three following directions gave median 4. According to the result, the communication floes rather well to all directions, which is good and a desired situation in every organization, even though some people disagreed.

| <u>Upward</u> | Value | Frequency | Median |
|----------------------------|-------|-----------|--------|
| Strongly agree | 5 | 1 | |
| Agree | 4 | 19 | 4 |
| Neither agree nor disagree | 3 | 13 | |
| Disagree | 2 | 2 | |
| Strongly disagree | 1 | 0 | |

| <u>Downward</u> | Value | Frequency | Median |
|----------------------------|-------|-----------|--------|
| Strongly agree | 5 | 10 | |
| Agree | 4 | 20 | 4 |
| Neither agree nor disagree | 3 | 8 | |
| Disagree | 2 | 2 | |
| Strongly disagree | 1 | 0 | |

| <u>Horisontally</u> | Value | Frequency | Median |
|----------------------------|-------|-----------|--------|
| Strongly agree | 5 | 2 | |
| Agree | 4 | 27 | 4 |
| Neither agree nor disagree | 3 | 8 | |
| Disagree | 2 | 3 | |
| Strongly disagree | 1 | 0 | |

Questions 15 and 16 are simple, with just answers yes and no, in order to find out the opinions of the staff concerning the need of an appointed person to help the company's internal communication operate better and the need of the internal bulletin.

The opinions about the appointed person went almost in halves, people weren't sure. More of them 57% thought that there is such a need, but 43% of the respondents didn't see a point to have anybody. Unlike with the internal bulletin most of the respondents (85%) thought that there is a need in it.

In question 17 (see appendix 2) the employees gave grades to internal communication between offices, internal communication between divisions, the clarity of internal communication, the openness of internal communication and the channels of internal communication, as well as an overall grade of internal communication. The scale was from 1 to 5, where 1 being the worst grade and 5 being the best.

According to the answers the grade 5 (Excellent) was not used at all, this is why it is not included in the figure 11 either. Internal communication between offices is mostly considered to be weak (43%), Communication between divisions is adequate (43%) (see figure 11).

The clarity of internal communication by 55% of the respondents is considered to be adequate. The openness of internal communication is also adequate (45%), 30% of the respondents even consider it as good (see figure 11).

The channels of internal communication are considered adequate by 45% of the respondents and weak by 30% of the respondents. Only 20% of people answered to the questionnaire that overall grade of the internal

communication is good, whereas 45% think that it is rather weak (see figure 11).

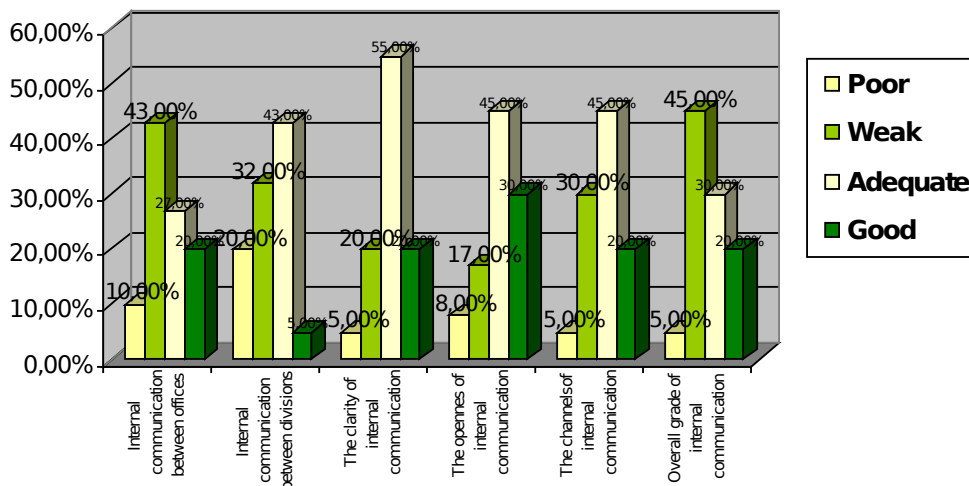


Figure 11. Grades for aspects of internal communication at Lamor

When asking the question 18 (see appendix 2) about the biggest problems concerning the internal communication it is very important that the respondents answer sincere and surprisingly 88% of the respondents have replied to this questions. The answers were very surprising and interesting, people see many problems which were not listed by the researcher. One of the biggest issues for people was the time zone difference and physical distance between the offices. From the one hand, no one can change the time differences or bring the offices closer, but the offices should communicate more via email or any other means communication. As mentioned earlier, for the Chinese office the problem is to on-line access the Finnish server.

Among the answers we such as: “There are no existing procedure or channel for giving out information, may things are going on simultaneously without any rules or recommendations what/who to inform”, “Everybody is doing their own thing and nobody knows what the others are doing or what is happening in the company (The big picture is missing)”, “Incomplete project information when projects are started, e.g. manual modification needs, training needs, etc.” and “concepts, plans and information about new product development or ideas are not shared early enough, too much ad-hoc product development by sales managers”.

There were some quite harsh sayings towards the upper management being responsible for the lack of good internal communication, e.g. "The attitude of the management. The insecurity of the personnel and their fear of getting fired" and "Information goes well upwards, but doesn't go anyhow downwards, except in the form of negative feed-back, i.e. when someone is forced to react on a given situation and the action is wrong due to lack of information, the management is quick to give a proper pasting. This encourages to mind one's own business and not take any initiative whatsoever".

The rest of the answers were quite the same and brought up the problems of company's policy and culture, rumors and gossips that circle around and then come up to be false; plus the fact that the information internally is not coordinated between the offices, there is no understanding what services can be expected from other company of the Lamor Group, at what cost and how to prioritize efforts each day.

As the questions 18 and 19 are connected also naturally the answers to those questions are related to one another.

From the 88% of the people who answered the question about the problems with the internal communication within the company, only 72% came up with some kind of solutions, which they think can be helpful.

People are expecting more openness from the bosses, they would like to have more regular face-to-face discussions, meetings of different departments more frequent and appointing someone to do the job of internal communication. Company should adopt modern HR values and strategies.

People would like to have communication building trainings and trainings about how to use the software (server, outlook and etc) for more effective communication. There should be developed a good habit of communication, both ends of communication process should send clear information and select the most efficient communication tools, and not necessarily the most convenient.

Another wish from the respondents is to clearly define the work duties of each employee and to have more discipline in project openings to have all the information needed on time for everybody's use. The respondents also thought of having the mailing groups reorganized, so you know exactly who you are sending the information, you need to be sure that people will read it and they are interested in the information you are sending.

The China office is willing to get emails from the headquarters about updates in important databases and automatically get small updates as email enclosures and larger updates on CD or DVD by post.

The question 20 (see appendix 2) helps to find out what are the strengths of company's internal communication. It was answered by 57% of the respondents and people pointed out such strengths as "good team spirit of the company", "lots of information channels available", "open atmosphere" and "effective emailing and friendship between the workers" The respondents agreed that Lamor has a very good server folder structure, but people just need to know how to use it more effectively and use it more often. One of the other pluses of Lamor internal communication is a constant availability of personnel to travel, it brings personal contact, which is the easiest way to agree on something, to understand each other's needs and needs of the customer.

The last question of the questionnaire gave the employees free hands to give their opinions on the company's internal communication. Half of the respondents (50%) replied to this question. Mostly the answers considered the fact that they realize that there are problems internal communication and they should be solved, some people said that internal communication is not existing at the moment, some said that it is not perfect and it just needs work, that it has to improve between divisions and companies, and it should not be limited by physical distance.

Even though some of the answers were negative, the rest of the respondents think that there is a huge potential to improve the current situation, people should use such communication channels as corporate calendar more; Skype messenger has more features like telephone meetings, web-cam usage and

sharing the documents and presentations on-line at the same time, which also need to be implemented in everyday life. All in all personnel has good communication skills even though considering time zone differences, workload levels and busy travel schedules.

7. CONCLUSIONS AND SUGGESTIONS

It is clear that many of Lamor Group personnel would like to see a change concerning the company's internal communication. This judgment was made by the researcher upon the reactions of the personnel when they responded to the questionnaire with such a high percentage (65%).

All the material the researcher got from the company strengthens the impression that there is a lot of information available, for example on the company, products and markets), but the crucial information can be hard to find from the information flow. With the introduction of the new server, it seems to be hard for the personnel to find the information needed, because they are used to the old server.

The overall impression of the company's internal communications is that even though separate parts of the communications are well designed, they still show the lack of communication professionals who would coordinate the information flow and create and supervise a united communications system. It seems that nobody in the company really has time or ability to concentrate on the communication matters and that leads to the use of varying systems and upcoming of many mixed folders of information. Otherwise the internal communication is rather open and informal.

It seems that communication has not been seen as an essential and basic part of business at Lamor. Communication has of course existed, but no one has paid attention on how communication is run in the company. This system might have worked a couple of years ago when the company was still considerably small and thereby all personnel could easily communicate with each other. It was probably quite easy to solve communication matters as they came up, when the amount of personnel was small. However the company has grown a lot during the past year 2006 and it is not easy to reach people anymore. Therefore there is now definitely a need for organized communication in the company.

Both the management and employees should realize that communication is a very important part of business, especially in the company where the offices

and divisions are far away from each other and therefore communication gaps can easily cause major difficulties in the company's operations. There should be built a clear communication system and a person appointed to help the company's internal communication operate better. As some employees stated, someone should be in charge of communication matters so that all information would be up to date, easy to find, and consistent.

The sales staff and production staff have their own regular meetings but it still seems that even though there is, in some ways, systematic information sharing inside those divisions, the communication between divisions does not work well enough. Also the internal communication about other than sales, production or product related issues seems to be random and therefore a notable part of information about some topics is passed on via the grapevine as rumors and gossip.

Therefore there should be organized more meetings between different divisions, people must realize that the division's cooperation brings more effectiveness to everybody's work; things are done faster, easier and better. This kind of meetings should be held at least once a month, where different divisions and companies could present their results up to that moment, what is the current situation, what they are working at the moment, what kind of help is needed from the other division, what is urgent and what matters can wait, who is responsible for what and what are the matters that the others might not understand. This kind of meetings should improve the communication atmosphere and make employees understand what they should focus on, what their responsibilities are and etc.

Company's internal bulletin should be established and printed or sent by email in pdf-form, so everyone from the Lamor's personnel knows what is happening in the office. They might not have presented at the meetings due to some circumstances that is why having the internal news bulletin is essential for them to be up-to-date. In the bulletin there should be information on the major projects going on at the moment, success stories about the completed project, upcoming events and so on. The information though should be composed in such way that it would not leak from the company to the competitor's side.

Lamor's personnel is willing to have trainings on team building, internal communication building, usage of the communication channels, etc. With that move the company will achieve not one, but two goals: first of all, the gaps of internal communication problems due to not knowing how to do it will disappear when the personnel will be trained, and second of all, people will learn how to work as a team, they will understand each others needs, and they will learn in the artificial environment how to react in real life in certain situations.

One difficulty that has been experienced at Lamor is the question about what kind of information should be passed on. As the survey showed, different people want to get different kind of information. However most informants would like to get more information and just a few stated to get unnecessary information. As it seems to be difficult to give general guidelines of what kind of information each member of Lamor personnel should pass on, the suggestion would be that the appointed person for internal communication should have meetings with the employees to find out what information they find most important and what they would like to get more information about. Thereafter comparing the results of different divisions and different companies, this person should come to a conclusion that suits all.

The purpose of this thesis was to chart out the present situation concerning internal communication at Lamor Group, and to find out what the company's personnel think about communication matters. Thereafter the idea was by using all the information gathered to come up with the clear solutions and develop the ways to improve the international internal communication. As to the view of the researcher, all this was successfully achieved.

Lamor Group is growing and developing fast and it is therefore understandable that all the functions of it have not kept up with the pace. The company's personnel has increased significantly during the past several years and internal communication has consequently become more complex. This has not been considered in time, which has led to upcoming communication problems. The company has enough strength to change the situation, and hopefully with this research done, it would be easier for them to come up with the smart solution on how to change it.

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APPENDICES

Appendix 1. Cover letter for the questionnaire

17 April.2007, Porvoo

Dear receiver,

This questionnaire is being sent to Lamor's personnel. The questions handle the company's internal communication. The answers are going to be presented anonymously and with confidence in my final thesis for Haaga-Helia University of Business and Applied Sciences.

This study has been agreed on with Bent Larsen, and the company gets a copy of the thesis when it is done. The goal for the thesis is to chart the present internal communication systems and the personnel's opinions on those, and thereafter to form a plan of action on how the internal communication could be improved in the company.

Please answer the questions and return the questionnaire to Tatiana Denisova in person or via e-mail (tatiana.denisova@lamor.fi) before April 20.

Thank you for your cooperation!

Best regards,
Tatiana Denisova

Appendix 2, Questionnaire

This is questionnaire of the company's internal communication. Mark the right alternative/alternatives with red color (if sending by e-mail) or by circling (if turning in person), and write your answers inside the text frames (in open questions). If you need more information, please contact Tatiana Denisova (tatiana.denisova@lamor.fi). Thank you very much for your cooperation!

1. Your age

- a) under 30
- b) 30-49
- c) over 50

2. You work at

- a) Lamor Group
- b) Lamor Corporation Ab
- c) Lamor Technics
- d) Lamor Marketing
- e) Lamor Asia Co. Ltd
- f) Lamor Corporation LLC
- h) Lamor Corporation UK Ltd
- i) Lamor Hong Kong
- j) Clean Globe International

3. Worked at Lamor for

- a) less than two years
- b) 2-9 years
- c) 10 years or more

4. Division

- a) administration
- b) sales
- c) production

d) assistant

Your position: _____

5. English proficiency level

a) high

b) moderate

c) basic

6. Do you get enough internal information from company's database (server) about

- | | | |
|--------------------------------------|-----|----|
| a) the company's products? | Yes | No |
| b) the company's customers? | Yes | No |
| c) the company's operation? | Yes | No |
| d) the company's economy? | Yes | No |
| e) the company's future plans? | Yes | No |
| f) the company's strategy? | Yes | No |
| g) the company's mission and values? | Yes | No |

7. Is there something else you would like to get more information about?

Yes No

If yes, what would that be?

8. Do you find some information you get to be unnecessary?

Yes No

If yes, what is that information?

9. Indicate your position for the statement on the agreement – disagreement scale.

“Internal communication at Lamor is effective enough”

- a) Strongly agree
- b) Agree
- c) Neither agree nor disagree
- d) Disagree
- e) Strongly disagree

10. Do you get the internal information via

- | | | |
|-----------------------------------------------------|-----|----|
| a) Company’s web-pages? | Yes | No |
| b) E-mail? | Yes | No |
| c) Skype messenger? | Yes | No |
| d) Outlook corporate calendar? | Yes | No |
| e) Data-DVD? | Yes | No |
| f) Data-CD? | Yes | No |
| g) News Bulletin? | Yes | No |
| h) Staff meetings | Yes | No |
| i) Face-to-face conversations with upper management | Yes | No |
| j) Company’s internal server | Yes | No |

11. Is there some other way you get internal information?

Yes No

If yes, what is it?

12. Indicate your position for the statement on the agreement – disagreement scale.

“The following channels help me to communicate better internally at the office of Lamor Company”

Company’s web-pages

- a) Strongly agree
- b) Agree
- c) Neither agree nor disagree
- d) Disagree
- e) Strongly disagree

E-mail

- a) Strongly agree
- b) Agree
- c) Neither agree nor disagree
- d) Disagree
- e) Strongly disagree

Skype messenger

- a) Strongly agree
- b) Agree
- c) Neither agree nor disagree
- d) Disagree
- e) Strongly disagree

Outlook corporate

calendar

- a) Strongly agree
- b) Agree
- c) Neither agree nor disagree
- d) Disagree
- e) Strongly disagree

Data-DVD

- a) Strongly agree
- b) Agree
- c) Neither agree nor disagree
- d) Disagree
- e) Strongly disagree

Data-CD

- a) Strongly agree
- b) Agree
- c) Neither agree nor disagree
- d) Disagree
- e) Strongly disagree

News Bulletin

- a) Strongly agree
- b) Agree
- c) Neither agree nor disagree
- d) Disagree
- e) Strongly disagree

Staff meetings

- a) Strongly agree
- b) Agree
- c) Neither agree nor disagree
- d) Disagree
- e) Strongly disagree

Face-to-face

conversations with upper

management

- a) Strongly agree
- b) Agree
- c) Neither agree nor disagree
- d) Disagree
- e) Strongly disagree

Company’s server

- a) Strongly agree
- b) Agree
- c) Neither agree nor disagree
- d) Disagree
- e) Strongly disagree

13. Which are the most important information sources for you?

14. Indicate your position for the statement on the agreement – disagreement scale.

“The communication at the office flows well”

Upward

- a) Strongly agree
- b) Agree
- c) Neither agree nor disagree
- d) Disagree
- e) Strongly disagree

Horizontally

- a) Strongly agree
- b) Agree
- c) Neither agree nor disagree
- d) Disagree
- e) Strongly disagree

Downward

- a) Strongly agree
- b) Agree
- c) Neither agree nor disagree
- d) Disagree
- e) Strongly disagree

15. Do you think that the company needs an appointed person to help the company’s internal communication operate better?

Yes No

16. Do you think that the company needs an internal news bulletin?

Yes No

17. Estimate the functionality of the following communication aspects with the scale from 1 to 5

(1 = poor, 2 = weak, 3 =adequate, 4 = good, 5 = excellent)

| | | | | |
|---------------------------------------------|---|---|---|---|
| a) Internal communication between offices | 1 | 2 | 3 | 4 |
| 5 | | | | |
| b) Internal communication between divisions | 1 | 2 | 3 | 4 |
| 5 | | | | |
| c) The clarity of internal communication | 1 | 2 | 3 | 4 |
| 5 | | | | |
| d) The openness of internal communication | 1 | 2 | 3 | 4 |
| 5 | | | | |
| e) The channels of internal communication | 1 | 2 | 3 | 4 |
| 5 | | | | |
| f) Overall grade of internal communication | 1 | 2 | 3 | 4 |
| 5 | | | | |

18. What do you think are the biggest problems in Lamor concerning the internal communication?

19. How do you think these problems could be solved?

20. What do you think are the strengths of the Lamor's internal communication?

21. What else would you like to say about the company's internal communication?