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Evaluation and comparison of internal communication in two selected companies

Diploma Thesis

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Thesis title

Evaluation and comparison of internal communication in two selected companies

Objectives of thesis

The main objective of this thesis is to evaluate and subsequently compare the internal communication of two selected companies. The goal of literary research is utilization of accessible sources, such as specialized publication, internet websites and technical papers and articles, as the basis of practical part of the thesis.

Methodology

A survey is used as the primary source of the practical part of the thesis in the form of questionnaire which is targeted at employees of the selected companies. The main aim of the questionnaire is to collect data for later evaluation of internal communication in the selected companies through comparative method.

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SMITH Lyon, MOUNTER Pamela. Effective Internal Communication. 2.edition. Kogan Page Publishers, 2008. 240 p. ISBN: 0-74-945265-X, 9780749452650

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Declaration I hereby declare that I have written the diploma thesis "Evaluation and comparison of internal communication in two selected companies" independently with use of quoted resources in bibliography. In Prague, on 2013

Acknowledgement I would like to thank to my supervisor Ing. Tereza Balcarová for her useful advice and support during my work on this thesis. Other thanks belong to internal communication specialists in both selected companies and last but not least my family for psychical support.

Vyhodnocení a porovnání interní komunikace ve dvou vybraných firmách

Evaluation and comparison of internal communication in two selected companies

Souhrn

Tato diplomová práce se zabývá praktickou ukázkou fungování interní komunikace ve firmě v České republice. Hlavním cílem této práce je vyhodnotit a následně porovnat interní komunikaci ve dvou vybraných firmách, které působí na českém trhu.

V teoretické části je vysvětlena podstata komunikace jako takové, její typy a základní fungování. Dále je velký důraz kladen na interní komunikaci, její cíle a principy, formy interní komunikace a nástroje, které firma používá k interní komunikaci se svými zaměstnanci. Získané informace v odborné literatuře jsou aplikovány v praktické části. Zde jsou představeny obě zkoumané firmy, nastavení firemní interní komunikace a hlavní nástroje používané pro tuto komunikaci. Pomocí dotazníku je v daných firmách zjištěno fungování interní komunikace, její efektivita, spokojenost zaměstnanců a jejich názor na hlavní nástroje interní komunikace. Výsledky obou firem jsou poté vyhodnoceny a porovnány.

Klíčová slova: komunikace, komunikační proces, interní komunikace, strategie, cíle interní komunikace, intranet

Summary

This diploma thesis deals with a practical example of internal communication in the Czech Republic. The main objective of this work is to evaluate and subsequently compare internal communication in two selected companies operating on the Czech market.

In the theoretical part is described the nature of communication as such, its types and basic functioning. In addition, great emphasis is placed on internal communication, its aims and principles, forms and internal communication tools that the company uses for communication with its employees. The information obtained in the literature is applied in the practical part. Both companies are presented as well as their setting of internal communications and the main tools used for this communication. Through the use of in those companies functioning internal communication, its effectiveness, employee satisfaction, and their view of the main instruments of internal communication. The results of both companies are then evaluated and compared.

Keywords: communication, communication process, internal communication, strategy, objectives of internal communication, intranet

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1. Introduction

If the company wants to survive all the changes and attacks by the dynamic development of external environment and to adapt to them, it must be internally homogeneous, have established processes, and debug the coordination of all activities whose basis is the well-functioning internal communication. Well functioning communication within the company, which runs in all directions, all official and unofficial channels, is the driving force of the whole company. It is the basis of motivation, a key to the ensuring that all employees know what to do and why, as well as a way to share a common vision, goals and values of the entire company.

A properly functioning internal communication is reflected by the overall employees' satisfaction with their business. Employees are proud of the company in which they work and spread its good name. Employees are loyal to the company and the company becomes stable. Moreover, internal communication affects company's prosperity, partnership and competitiveness. Construction of internal information flows which brings wholeness of what the company wants to say, and so that it coincides with the expectations of what employees want to hear, it is the main task of a successful management.

All employees want to be informed and express themselves in company's affairs which affect them directly, they need to get understandable information, which would lead towards their certainty and company's loyalty. A fail of internal communication can lead to working relationship problems. The source of difficulty can be for example missing or nonfunctioning channels or missing skills and capabilities of communication participants. (Holá, 2006)

Each manager should firstly focus on adequate level of his or her employees' foreknowledge about company's goals, purposes and perspectives of further development. The biggest problem often concerns the managers who are not able to formulate these views understandably, hence they cannot forward these pieces of knowledge to their employees.

In general, all managers know that internal communication plays very important role in their business, but not all of them pay an adequate attention to such importance. According to Holá (2006), the managers evaluate effectiveness of internal communication only with 60% and the employees are even more critical.

The main problem is most often underestimated importance of internal communication, especially in the development of the company. The management must respect its employees as equal partners; they must place emphasis on building relationships with them, because the success of a company is mainly built on purposeful cooperation with motivated and loyal employees. The basis is a functioning two-way communication. Basically, employees are internal customers and the management must be able to "sell" them company's vision and goals to accept them as their own and made them to attain maximum. Employees must therefore believe in their company and consider it as a partner who deserves their work, commitment and loyalty.

This diploma thesis is divided into two main parts – theoretical part and practical part. The main aim of the theoretical part is to describe the basis of communication process and all different types of communication in general. The stress is laid on internal communication as itself, its objectives, principles, segments and mainly the tools which are used in an organization. Moreover, the function of effective internal communication in an organization is described. The second part reflects all important aspects of internal communication into practice where a case study on two selected companies (Kooperativa, Raiffeisenbank) is evolved. These companies were chosen on purpose, because they both belong to the financial sector, have more or less the same number of employees, therefore it can be assumed that the internal communication will be set up in the same or similar way and the same tools will be used. Thus the comparison of internal communication effectiveness can be made easily.

2. Objectives and methodology

2.1. Objectives

This diploma thesis is focused on practical example of internal communication in a company. The main objective is to evaluate and subsequently compare the internal communication of two selected international companies which operate on the Czech market. Thus the goal is to find out how the companies exploit their internal

communication, which tools they use and how effective these tools are in order to achieve all important objectives of internal communication.

Objectives of this thesis can be divided into primary and partial. Primary objective is:

Evaluate and compare internal communication in Kooperativa a.s. and Raiffeisenbank a.s.

To achieve this objective, the following partial objectives have been set up:

- To describe functioning of internal communication.
- To describe used internal communication tools.
- To analyze effectiveness of internal communication.
- To find out overall employees' satisfaction with internal communication.

2.2. Methodology

Theoretical basis

The theoretical part of this thesis is based on information analysis given in literature. The literature was selected according to appropriateness of the topic. Fore each chapter, the most important and corresponding parts of literature were selected and for each topic different opinions and views of some authors have been mentioned.

Practical part

The application part of the thesis is based on acquired information from the literature analysis. The primary method of analyzing internal communication and its tools in the two selected companies is application of description method. There are described all communication tools which are used in companies, their importance and usage.

A questionnaire was used for overall evaluation of internal communication in Raiffeisenbank and Kooperativa. The main aim of the questionnaire was to collect data for later analysis of internal communication. To analyze the functioning of internal communication, the questionnaire was focused mainly on used communicational tools, communication with management, employee's satisfaction and overall functioning of internal communication from an employee's point of view. The questionnaire was divided into six parts according to the surveyed field: (1) Objectives, values, future of the company

(2) Loyalty and overall employees' satisfaction (3) Communication with management (4) Setting of internal communication (5) Most used tools of internal communication (6) Statistical data. There were 27 questions in total, both closed and open. Thus the employees had a chance to comment on the given situation somehow. The questionnaire was distributed in written (Raiffeisenbank) as well as electronic form through www.vyplnto.cz (Kooperativa) and was addressed to regular employees in the companies. The total number of filled questionnaires was 79 in Kooperativa and 90 in Raiffeisenbank. Acquired data were evaluated and the results were interpreted mainly in graphical form. Moreover, the comparative method was used to compare the results from both companies. The whole questionnaire and its results can be found in supplement both in Czech as well as English language.

3. Literature overview

3.1. Communication

Communication is derived form the Latin word *communis*, which means "to share". In this case, it is sharing of ideas, feelings, emotions and concepts. (Kaul 2006)

In business as well as in other areas of our life, the best idea can fail in case when it is not communicated well. In general, communication can be characterized as a process of message contents with aim of remove or lower uncertainty on both communicational sides. The subjects of communication are data, information and knowledge. Data are simplified raw facts, information put data into a context and assigns them specific meaning. If we can work with information, we know how to use them, then we have the knowledge. The important thing is that communication is both way process, of which aim is to understand. (Holá, 2006)

A company monitors flow of information mainly from the external environment, information about market and environment in which the company operates. But the flow of information inside the company is no less important and much faster. Sharing internal information and working with them, creating know-how, however, are not the main tasks of communication taking place within the company, because communication permeates all

managerial functions and is an essential link in the management process. It is impossible to imagine a company and its functioning without a communication. A process of communication in this context is understood as exchange, transmission and receipt of information that should clearly reflect the activities and goals of the company. (Holá, 2006)

3.2. Communication process

Communication is defined as a process whereby information is exchanged among systems. These systems are elements of suprasystem – environment. The aim of the information exchange is the reduction of uncertainty on both or more sides. Theories define individuals as sources and receivers between which a message is transferred over some channel that involves some combination of the five senses. (Thayer, Barnett, 1997)

As it was already mentioned, communication is the transmission of information and its meaning from one individual or group to another. The most important part of this definition is the word "meaning". If the receiver would not understand the idea as the sender intended it, the whole communication could be taken as unsuccessful one. The whole communication process consists of five steps which are as fallows (Marry Ellen Guffey's, 2010):

- <u>Sender has an idea</u>: This idea can be influenced by many factors such as sender's background, mood, culture, etc.
- Sender encodes the idea in a message: Encoding means transform the idea into a message that will carry the meaning. Important in choosing right words is to select the familiar words which have concrete meanings with which everybody agrees.
- Message travels over a channel: Channel represents a media through which the message is transferred. Sender must choose the best channel according to his/her audience.
- Receiver decodes message: Receiver is a person to whom the message is
 intended and decoding is translating the message into a meaning. This
 meaning can be sometimes misunderstood because of different culture

background of sender and receiver. Often, the communication process can be also disrupted by some barriers and noises.

• <u>Feedback travels to sender</u>. Feedback is every answer or response which the sender gets from the receiver. It helps the sender to find out whether the message was received and well understood. To make sure that sender gets any feedback, he/she should send the message in time, when the receiver has time for answering, or he/she can ask the sender for some question.

Feedback plays very important role in measuring communication effectiveness, thus this topic will be discuss later on in chapter about effective internal communication and used in the practical part.

3.3. Barriers

Noises are all burdening physical - psychological factors, which can adversely affect clarity of communication. Any communication is threatened by communication noises. Communication noise or barrier is anything that distorts sent out communication or prevent from receiving a messages. There is presented higher or lower degree of communication barriers in each communication; therefore, we can express understanding rather by degree of misunderstanding. (Holá, 2006)

There are two main communication barriers – physiological and psychological. (Rourke, 2012,.

Physiological barriers are connected with our five senses (sight, sound, touch, smell and taste). Therefore if we send message to other, we must take into consideration that they may not see, hear, touch, smell, or taste in the same way we do.

Psychological barrier is about understanding the message. Everything from the culture in which we live to the standards and norms of certain groups can influence we perceive and react to the messages.

According to the role observed by the two participants of communication – sender and receiver, let us categorize the barriers as follows (Kaul, 2006):

- Sender-oriented
- Receiver-oriented.

Sender-oriented barriers

As the sender is the creator of a message and a whole communication, he/she must be extremely careful about the barriers. Some of the sender-oriented barriers can be for example badly expressed message, loss in transmission, semantic problem (meaning of words), over/under communication, prejudices, etc. (Kaul, 2006)

Receiver-oriented barriers

The receiver can be also guilty of raising barriers; however his role is in the initial phase passive. He is responsible for miscommunication and the end of whole communication. Poor retention can be as an exam of barrier. If the receiver has poor retention capability, he/she would likely get lost in the course of the proceeding. There would be no connection between what has been already said and what is being said now. Other barriers which may emerge on the receiver side are inattentive listening, tendency to evaluate, conflicting information, etc. (Kaul, 2006)

Communication noise can by eliminated by appropriate and detailed selection of communicational channel and awareness of factor that affects the possible message distortion. Important role plays a feedback.

3.4. Types of communication

Verbal communication

This type of communication uses words or language in process of communication. It is the most used communication in everyday life and also business. Verbal communication can be of two types – oral and written. (Debasish & Das, 2009)

Oral (spoken): Oral communication is anything emanating from the mouth. and
can be both formal and informal. In business, the informal communication is used
more often. We can meet with oral communication in situations like conversations,
telephone talk, meetings and presentations. (Debasish & Das, 2009)

The big advantage of oral communication is that it provides immediate feedback and thus the sender can collaborate with the audience. This type of channel is used when the message is relatively simple, the audience is rather small and there is no need of a permanent record. (Blundel, 2004)

• Written: Written communication gives the writer an opportunity to plan and control the message. It is used in case of complex information, when there is a need of permanent record for later use, when there is rather large and geographically dispersed audience and the interaction with the audience is not necessary and important. (Blundel, 2004)

"Verbal forms of communication raise issues such as using appropriate vocabulary for an audience and translating meanings between different languages." (Blundel, 2004, p. 10)

Nonverbal communication

Nonverbal communication, communication without words or sometimes called body language is very important type of communication and includes gestures, facial expressions, and body positions and movements. (Wandberg, 2005)

"Nonverbal communication is a communication exchange that does not use words or uses words to carry more meaning than the strict definition of the words themselves. Nonverbal communication is a powerful but little-understanding form of communication in organizations. It often relies on facial expressions, body movements, physical contact, and gestures. One study found that as much as 55percent of the content of a message is transmitted by facial expressions and body posture and that another 38 percent derives from inflection and tone. Words themselves account for only 7 percent of the content of the message." (Ricky W. Griffin, 2012, p. 377)

3.5. Communication network

Each organization is created of many individuals who work together and contribute on the company's growth and success. These individuals have to interact with each other and with

people outside the company. The communication network in an organization is formed of two types (Kaul, 2006):

- Internal
- External

Internal communication is interaction between all members of the same organization is called internal communication. It can be both formal and informal. (Kaul, 2006)

As the internal communication is the main topic of this thesis, it will be discussed later on in chapter "Internal Communication".

On the other hand, external communication focuses on the relation between the company and external world, the environment of this organization and media. (Smith, Lyn, 2008)

According to Debasish & Das (2009), the objectives of external communication are to:

- Provide information to consumers about products and services to do with the organization.
- Promote the organization.
- Handle enquiries about the organization and its products and services and advertise the organization.

If the company wants to survive in competitive environment, it has to employ external communication. As an external communication can be taken (Kaul, 2006):

- Advertising
- Media interaction
- Public relations
- Presentations
- Negotiations
- Mails
- Telegrams
- Letters

External and internal communication is distinguished according to organizational boundaries. Scholars implicitly or explicitly consider the organization as a system continuously interacting with external environment. "But organizational boundaries are an inaccurate criterion to use in defining internal communication for a number of reasons. For example, all employees are members of the external public and receive messages from dozens of sources and media channels. Organizations must be careful to communicate news internally before employees learn about it from the general media, as in the case of a merger or acquisition. The timing of certain news announcements from the organization is critical and employees should never be blindsided. It is almost impossible to isolate internal from external communication flows." (Mazzei, 2010, p.222)

There is a danger that internal communication is entirely focuses only on internal world and misses everything what is going on outside the company. Still all the employees watch the TV, listen to the radio and read newspapers. There are affected what they read and hear about the company, so it is important for the internal communicator to closely work with the colleagues form the external communication group and make sure that the messages about the company are consistent. (Smith, Lyn, 2008)

There is also opinion that boundaries between internal and external communication are blurring.

"Researches point to the increasingly "blurred" boundaries of today's organizations, and argue that there is an underlying continuity between what have previously been termed "internal" and "external" communication processes." (Blundel, 2004, p. 11)

3.6. Internal communication

Internal communication, organizational, firms or intradepartmental communication are the synonyms which describes communication inside a company or an organization. Welch and Jackson (2007, p. 184) defined internal communication as the "strategic management of interactions and relationships between stakeholders at all levels within organizations across a number of interrelated dimensions including, internal line management communications, internal team peer communication, internal project peer communication and internal corporate communication." The focus of internal

communication has shifted today to build relationships and motivate employees to become central to how management view their people. (Verghese, 2012)

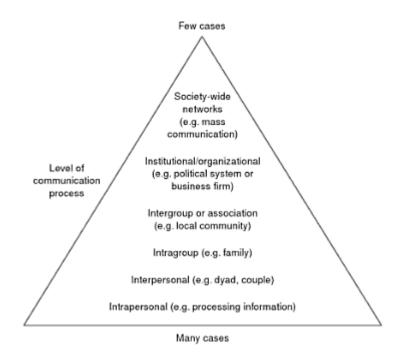
Internal communication is basically a communicational linkage of firm's units that allow process cooperation and coordination required by the functioning of the company. It is not just a transfer of information. Internal communication includes shaping and clarifying of views and attitudes, behaviour of management and workers. Moreover, it includes verbal and nonverbal communication, and information transfer going in all directions of a company between management and workers, between managers, between individual employees and work teams in both formal and informal relationships. (Holá, 2006)

"Traditionally, internal communication has focused on the announcement of management conclusions and the packaging of management thinking into messages for mass distribution to the "troops". However, its real place is at the leading edge of change. The value that it can add is immense – faster change, more flexibility and innovation, better quality decisions, better knowledge sharing and more motivated workforce. Although, as a whole, leaders believe in the power of communication, even leading companies fail to harness that power to deliver the necessary results. Internal communication is vital to success and when done well can provide strategic advantage through aligning employee efforts, sharing knowledge and engaging their passion." (Bill Quirke, 2008, p. 3)

Internal communication according to Janda (2004) is in management process created by setting up and communicating objectives of a company, processing and pushing ahead plans for achieving the goals, effective usage of sources, choice and evaluation of coworkers, their management, leadership, controlling and double feedback.

McQuail (2010) classifies the internal communication is in his pyramid of communication network on the second place right after the society-wide networks (see exhibit 3.6.). The difference between organizational communication and society-wide networks is that the organizational communication has specific objectives.

Exhibit 3.6: The pyramid of communication network



Source: (McQuail 2010, p. 18)

Internal communication approaches are formed by two different historical trends. Internal communication can be understood (1) as one of organization's aspect or (2) as the core of organization as itself.

The first approaches is represented by Winkler (1998), who declares that communication in organizations combines interpersonal, intragroup and mass communication among people and as tools are used culturally based symbols. He understand message as an own content of interaction of people with help of symbolic communication. Communication and interaction is thus taken as two inseparable elements. This approach differentiates him from other authors and theoreticians of internal communication, because he does not see internal communication as essence, but as one aspect. The second approach is described as a central force, which enable coordination among people and thus counts with organized behavior (Baker, 2002). The current concept of internal communication is more likely inclined to the second approach.

3.6.1. Objectives and functions of internal communication

If all mention definitions, points and ideas about internal communication are summarized, the objectives of effective internal communication can be defined. Before specifying the objectives, it is very important to realize that internal communication is basically communicational interconnection which enables cooperation and coordination of processes important for organization's functioning and sufficient motivation of all employees. It is not only transmission of information, but also shaping and clarifying of views and attitudes and behaviour of managers and employees.

Holá (2006) defines four main objectives of internal communication:

- Ensure employees' information needs and informational interconnection taking into account the continuity and coordination process.
- Ensure mutual understanding and cooperation based on an apprehension of common goals (between company management and employees, between a manager and his team, between teams and workers together).
- Influence and lead to required attitudes and professional behavior of workers, securing stability and loyalty of workers.
- Constantly maintained feedback and implementation of information into practice, permanent improvement of communication inside a company.

According to Moslerová (2004), the internal communication has following functions:

- <u>Informative function</u>: forwarding, announcing, declaration of certain information, facts and messages between workers
- <u>Instructive function:</u> explaining the meaning, advance description, providing guidance about how to achieve something
- <u>Persuasive function</u>: influencing, effect on another person to change his mind, persuading somebody about the rightness of his or her opinions
- <u>Identical personal function:</u> strengthening self-confidence feeling, own importance and usefulness, arranging own attitudes, values, opinions and aspirations.
- <u>Socialization function:</u> creating new relationships, relating, respecting of different opinions

- Educational and instructional function: invoked mainly in institutions whose main aim is education.
- Entertaining function: filling time with noncommittal communication about neutral topics, amusing, letting of steam
- <u>Communicative function:</u> telling of confidential information to the other party, accompanied by expectations of empathic listening, understanding, support and help

3.6.2. Target groups – audience

As well as we can segment the customers to target groups in marketing communication, we can define the focus groups – the audience of internal communication. "Customers" of internal communication are in literature called internal clients of an organization. This segmentation is done by their position and sometimes there is need to divide them according to departments of organization. Smith (2008) declares that internal communication requires greater sensitivity towards the audience and deep understanding of entire organization compared to external communication.

Smith (2008) divides audience into three groups: Front-line staff, line management and top management.

Front-line staff are the employees with most contact with customer. They are a huge potential for the company, however they are often the least considered group. Thus these individuals need to be kept informed about the organizations development, keep their knowledge and skills. Their managers should organize meetings to keep them informed, involved and motivated. (Smith, 2008). Front-line employees' niceness and willingness can bring a huge competitive advantage. Moreover, if the communication works properly, say both-way, these employees serve as a good feedback – needs objections of customers and functioning of set up processes. (Horáková, Stejskalová, Škapová, 2008)

Line management or middle management has the hardest position in every organization, because is often confronted from both sides – from front-line staff as well as top management. It is kind of link between these two sides which should work as a source of innovation and implementation of new strategies and methods. Thus it is important that line managers know the company's strategies, objectives and techniques and can it

communicate to their subordinates to support and motivate them in their performance. (Horáková, Stejskalová, Škapová, 2008)

Top management is responsible for setting up the long term plans, objectives, visions and strategies of organization. If the top managers want the strategy to be set up well and the objectives to be met, they must respect many principals and know not only the field in which the company operates and the company as itself, but mainly the attitude and needs of their subordinates. To meet these objectives, top management has to adapt the communicational strategy and clearly inform all the employees of the company. Therefore they have to monitor the needs of the employees, their moods and opinions and listen them carefully. (Horáková, Stejskalová, Škapová, 2008)

3.6.3. Internal communication segmentation

The organization works in different directions of communication through various channels of communication, formally or informally, verbally or electronically. Various authors in publications, which are devoted to internal communication, concur in defining the distribution and communication channels, lines, forms and resources. Properly functioning communication channel eliminates noises. Application of individual forms is derived for example from those communicators, from the nature of the information he/she wants to convey, to whom the information is intended and what are the conditions of communication act. (Holá, 2006)

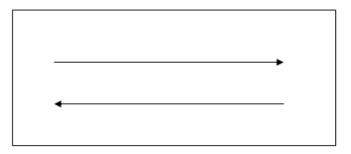
3.6.3.1. Horizontal, vertical, diagonal communication

Communication in organizations is very often monitored from the direction point of view. The basic division is vertical, horizontal and diagonal. (Kaul, 2006)

Horizontal or lateral communication includes communication of workers on same organizational level, workers of same team or workers in different organizational level, but in different vertical management line (Vymětal, 2008). This communication can be both formal and informal. Horizontal communication concerns also informal interpersonal and socio-emotional interaction with other colleagues on the same level. Examples of horizontal communication are meetings and conferences. Fiedler (2000) assumes that no-

effective communication in this case can lead into disagreements in planning and coordination. Lack of horizontal communication cause suspicion, disability of cooperation and employees don't feel to be a part of the organization, they are not associated and often quit their job. Kaul (2006) infers that without any lateral communication, there would be lack of coordination and cooperation and many frustrated attempts to contact different departments can appear. This situation can even result in duplication of work and messed up relationships between employees. Thus Kaul assumes that lateral communication is the most effective communication. Without this type of communication there cannot be any development on organizational level.

Exhibit 3.6.3.1.a): Horizontal communication



Source: Kaul (2006)

"Vertical communication is communication that flows up and down the organization, usually along formal reporting lines – that is communication which takes place between managers and their superiors and subordinates." (Griffin 2012, p.370) This type of communication can involve only few people or it may flow through several organizational levels.

Upward and downward flow of messages composes the vertical communication and these messages are transmitted from working employees to the top management (upward communication) and vice versa (downward communication). (Kaul 2006)

Upward communication is flow of message from subordinates to superiors. In organizational hierarchy, the flow can be following (Griffin 2012):

subordinates → direct superior → person's direct superior → ...

According to Fielding (2006), upward communication involves the following types of message:

- Reports about individual problems and performance
- Reports on what needs to be done and how to do it
- Memoranda about the practical results of company policies and practices
- Messages in suggestion boxes about specific staff problems

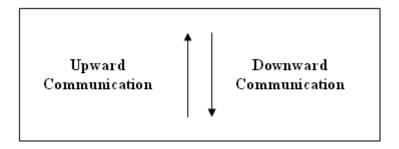
"Effective upward communication places heavy demand on managers and subordinates alike. Managers have to be prepared to listen to criticism or to new ideas that might seem threatening. They have to foster an atmosphere of openness and trust. They should also strive to be as objective as possible." (Michael Fielding, 2006, p.14)

In **downward** communication, managers communicate down the line to subordinates. Managers or superiors may send the following types of messages (Michael Fielding, 2006, p.13):

- Information about the missions and goals of the company
- Feedback to subordinates on their performance
- Procedures to be followed.
- Instructions for specific tasks

The aim of vertical communication is to secure that employees are adequately and timely informed about everything which concerns them in some way or what would interested them in the organization. At the same time, they should have the opportunity to comment on the organizational affairs. Thus it is important that vertical communication is open in the upward and downward direction. (Kloubek, 2007)

Exhibit3.6.3.1.b): Vertical communication



Source: Kaul (2006)

Diagonal communication is the least used type of formal communication in an organization. It is used only in cases when it is more effective than other types of communication (from time point of view). The biggest advantage of diagonal communication is that it can be in motion between different organization levels and thus the subordinate is in direct contact with different than one's superior. (Vymětal 2008) There is no direct path given for information to travel. It could go horizontal direction, than vertical upward and then downward, or it can even skip some stages. The picture below symbolizes the possible path of diagonal communication. (Kaul, 2006)

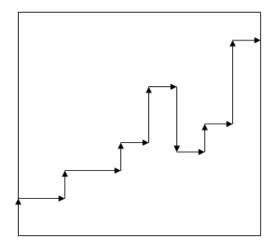


Exhibit 3.6.3.1.c): Diagonal communication

Source: Kaul (2006)

"This channel proves to be very effective as hierarchical bindings are done away with an communication flows irrespective of position or status. It also helps in building relationships and binding ties between the superior and the subordinate." ... "This channel could however, hive rise to gossip, grapevine and rumour. As no one is directly responsible for the flow of information, no one is willing to take responsibility. It would be a prudent manager who, in the midst of rumours and gossip, can sieve through the information, decipher the intent of the sender and arrive at a definite conclusion." (Kaul, 2006, p.8-9)

3.6.3.2. Formal and informal communication

Formal communication is planned communication which can flow in all directions and is essential for the effective operation of the business. It can be written or oral. Messages of formal communication are prepared with specific purposes in mind, have specific audiences and specific content. (Fielding, 2006)

On the other hand, informal communication is not planned by the organization and the main aim is to develop and maintain positive human relationships. This type of communication can also flaw in all directions in the organization and is mainly seen in the situation when staff in an organization finds that prescribed patterns of communication do not give them the information they want. Thus the own informal communication system is established (Fielding, 2006). The less formal communication, the more informal communication appears in the organization. But there can be sometimes sufficient amount of internal communication provided by the company and employees just don't recognize it or the communication channels may be set up wrongly. (Holá, 2006)

3.6.3.3. Direct and indirect communication

Communication can be divided according to whether participants use or don't use other communication means. (Tureckeová, 2004)

Direct communications channels include face-to-face communication. This personal communication according to Wood (1999) is the most effective communications channel, because it allows immediate interaction and exchange of information, emotions and instant feedback.

Holá (2006) points out advantages and disadvantages of face-to-face communication. The main strength of face-to-face communication is that it is supported by non-verbal communication, which helps to enhance the meaning of the message and eases perception of the receiver. On the other hand, the stress of the message compare to the written expression might be lower and there is a risk of uncaught of complete information.

Indirect or vicarious communication which can take various forms in relation to the used media. The participants of communication process can be same time on different places, interconnected by technical equipments or even on different places and react with certain lag. (Tureckeová, 2004)

3.6.4. Feedback

For communication with internal public, same principles apply as for any other interest group: it must be a two way process, thus there must be effort for a feedback and best understanding of opinions, attitude and primary motivation. Especially in case of this group, the one sided attitude predominates too often: Organization releases significant resources to inform their employees through number of printed materials and presentations, organizes expensive cultural and social events and at the same time, the question "How are our efforts perceived?" is omitted (Horáková, Stejskalová, Škapová, 2008). If employees do not reply to the communication activities according their concept, the main cause is the bad communication of management. (Střížková, 2005)

Adjusted feedback in two-way communication serves as an employees' opportunity to communicate with management. It should proceeds on all tree levels (Holá, 2006):

- At the level of work position setting of the feedback in case of evaluation of workers and managers. Employees should have the opportunity to evaluate their managers and vice versa.
- **At the level of team** Manager is evaluated by team and team by manager.
- At the level of whole organization Employees evaluate (mostly by anonymous questionnaire) the organization as a unit. Managers get information about how are they perceived, how they share company's objectives and how they see their own perspective.

Quirke (2008) suggests that there should be a minimum feedback used to test understanding, not simply to report exceptional complaints. Management should feedback to subordinates on how their information was interpreted and understood and what actions this has created. Feedback should not be taken as a check on employees' happiness with the message but as a means of communication and can also detect the non-functioning internal communication and leads towards its improvement.

3.6.5. Forms and tools of internal communication

Tools, channel, medium or means of internal communication are all synonyms for set of activities and forms of communication to ensure the correct flow and sharing of information within the frame of certain communication process of a company. Holá (2006)

defines three forms: personal (meeting, conversation), written (directive, manual) and electronic. Janda (2004) divides tools according to information which is transmitted into four groups: (1) Introductory information, (2) Continuous information, (3) Personal information, (4) External information.

The use of individual forms depends on the nature and importance of concrete communication. A different form is useful for solving the current problem and different for standard communication situations. Generally it cannot be defined which of the form is more effective because it always depends on the specific conditions of the communication process. Appropriate forms are defined along with communication standards in the company and are usually carried on managerial skills and experience.

It cannot be generally defined which of the communication form is more effective, since each is in specified conditions more or less effective. Definition of communication forms is important in terms of work with information sharing and distribution. Choice of the form must come out from gravity and informational needs of laborers because the meaning of information unwinds not only from its content but from its form too. Form has direct influence of effectiveness of communicational process. (Holá, 2006)

3.6.5.1. Personal, oral communication, communication face-to-face

The biggest advantage of verbal communication and especially of face-to-face communication is the fast reaction – the feedback. This very fast reaction can eliminate the misunderstanding and reduce the existence of communication noise. Holá (2006) states that this form of communication is supported by nonverbal communication which helps increase the importance of message and same time eases perceiving on the receiver side. The basic tools of personal communication are conversations, discussions, meetings, trainings, social and sport events, managerial errand, etc.

Formal meetings

Often used tool for individual or team leading is meeting. Even during operative meetings in case of team project, it is necessary from managers to clarify main points coming from company's strategy, explain connections and convince workers about meaningfulness of their work in reaching organization's objectives. Effectiveness of meetings is based on preparedness and structured course. Participants should be informed about program of the

meeting as well as record from last time. It also depends on time of the meeting. Some managers prefer Monday mornings, some Friday afternoons. The aim of meetings is not only checking completion of tasks, assigning new once, but also deepen teamwork. The right meeting leads to removing communication barriers and strengthening working relationships. Effectiveness of meeting is directly dependent on communication capabilities and skills of the person, who leads the meeting. (Holá, 2006)

Hattersley (2007) suggests that small group meetings are better than large group meetings, because participants have more space and opportunities for their speech, ideas and expression, but there are also enough people for different views and opinions. These small group meetings are suitable for brainstorming.

Internal training programs

Programs intended to present more specific strategy and tactics and individual goals of a company. Detailed explanation of intention brings understanding and acceptance of corporate objectives by employees, especially if there is plenty of space for discussion. Individual managers should stimulate their worker to be identified with the business goals, which are then reflected in the sub-goals of the team. The company should support these training programs, because sufficient explanation is one of the cornerstones for receiving task or changes. (Holá, 2006)

Holá (2006) also points out that internal training programs are suitable tool for sharing knowledge and know-how. In many companies is usual that these trainings are part of integration of new employee into a company.

Errands and visits

Local visits from senior managers are ideally getting a sense of life in the field. Managers can watch and talk to front line employees about their views and concerns. These visits enable greater personal contact between people of different grades and functions. It helps to enhance communication skills as well as promote communication across, up and down the organization. This helps to challenge preconceptions and give managers real picture of the work of different functions. (Scholes, 1997)

Sport and social events

Internal communication is not just about communicating changes, news and information it has to be also able to integrate target group into a "game". Informal events and parties create relaxed atmosphere on workplace and management has a chance to show that it consists from "just people" as well. However, blurring of distinctions must not exceed certain limits. Well known term – teambuilding include all activities which help to cement a collective. It is usually done for one department and it is about outdoor activities, where cooperation of each member is a key point for success of whole group. (Pavlečka 2008)

Presentations, large group meetings, assembly

Assembly for all employees or representatives of individual teams or departments is a good platform for internal presentation of a company. Content of these meetings is usually presentation of strategic objectives for the nearest future, oncoming organizational changes, results and success of previous period, awarding of best employees and starting the company into a new period in general. This meeting is usually held at the end or at the beginning of the year and is linked with an informal social event afterwards. Company's meeting in smaller range is suitable for shorter period of time – months or quarter, where plans and results are presented, operative changes are announced and new employees are introduced. (Holá, 2006)

Other tools of personal communication could be for example open days for employees, road shows, consultations, etc. Each company has its own most used tools which are adapted by organizational structure, types of business, management and communication strategy.

3.6.5.2. Communication through media

Into this category is generally classified written, visual and audio-visual form and its electronic version via computers and other information and communication means. Written communication is used primarily for mass larger groups of workers (from individual teams to all company employees) with the aim to inform the widest range in the shortest time. At the same time, this form is used to communicate basic document defining the organization and activities of the company, in terms of the information needs of workers, which may at any time get acquainted with their content. In this context the need for an appropriate

solution shows not only the content and form, but also the distribution, sharing and placement and availability or communicated materials. (Holá, 2006)

Written form is usually used in communication between manager and employees where it is necessary to emphasize officially stated weight of written documents. This form is also linked with preservation of important documents from meetings – reports. (Holá, 2006)

Communication through media has undergone huge changes in past decades. With still new technologies and innovations, internal communication can use such tools which help to fasten the communication and to target the right audience. Nowadays, some companies use system of interactive communicators such as ICQ, chats or SMS messages.

Magazines

However, with internal communication's range widening to include more face-to-face communication, regular internal magazines and newspapers generally have taken something of a back seat. For most organizations, their regular publications still act as a symbol of their existence as a community. The content of magazine can be funny, sad and serious all at the same time. It can cover a range of subject matter, from important management statements to pictures from social and cultural events. Vast majority of magazines are print-based, many are in electronic form or multimedia. (Scholes, 1997) The printed version score particularly well as a 'read-on-the-way-home' medium and are useful for staff who are may not have access to network during the working day. If the workers commute to work by bus or train, then a magazine or newsletter which they can pick up as they leave their office is till a valuable option which provides them some important information. On the other hand, the electronic form of magazine can save lot of money to organization and workers can find it easily for example on intranet front page. (Wright, 2009)

E-mail

Even though, e-mail is less influential than face-to-face communication, it is very useful tool of internal communication and is very effective in specific situation. For example it can positively influence communication climate, where it provides a mechanism for employees to feed their views up the company; shares objectives and goals of organization,

where it helps staff to see the bigger picture of the company and perceived external prestige – the construed external image of the organization – by helping the organization to share positive publicity, and its successes amongst employees. (Hewitt, 2006)

Videotape

Both verbal and non-verbal communication is used. The audience can see the body language of the sender, hear his/her voice and see his/her face. Thus the receiver can absorb the full image of the message. (Hattersley, 2007) This form of communication is used for trainings or briefings. Videos acquaint employees about important information for their work, labour protection, or just complete the oral form of training. (Holá, 2006)

Notice board

Notice board is very simple tool of communication. They are used in case of important information with long-term validity and it is necessary that these information are kept in sight of employees. These notice boards contain overview of tasks, plans and current daily information important for motivation of employees, for instance daily overview of accomplishing tasks of individual teams. (Holá, 2006)

This type of communication involve employees in taking ownership of the communication tool by clearing off old messages when they became dated, also part of the notice board can be dedicated for anonymous feedback on specific issues. (Scholes, 1997)

But notice boards disappear gradually and in many companies are replaced by electronic version – intranet.

Intranet

An intranet is a company's internal network operating according to the internet protocols. This internal network is not access to external environment, is protected and separated from commonly available internet applications by permitted entrance. Analogously, intranet is an appropriate tool of internal communication and if other conditions fulfilled its function, it can greatly contribute to the effective internal communication. (Holá, p.74)

To build a website only for employees involves some disadvantages compared for example with the company's magazine. Although we live in 2010, still not everyone can work with the Internet. And even if so, not everyone has a good relationship with it. Intranet is able to serve for firms that require dynamic communication with their workers.

In contrast to the magazine, intranet is able to publish news in the right time. In advance, it enables employees to respond immediately (for example, through a form, or discussion forum on the subject). (Pavlečka 2008)

However, intranet can work only at company, where the predominant number of employees work with computer or have at least free access to it. Even though, installed computers are not the primary tool for internal communication, but thanks to the intranet, they became it very soon. Internal computer network can be used as well as other means of informational and communicational technology for internal communication, increase the effectiveness of communication and total usefulness a productivity of computers. (Holá, 2006)

3.6.5.3. Other communication tools

Company's items and gifts

Small gifts with the company logo, which are mostly used primarily to promote the interests of customers in the various campaign and are generally taken as a marketing objects can also be a tool for increasing employees' feeling of belonging to the company. Company pencils, key chains, cups and t-shirts can increase interest of employees and the ongoing campaign to stimulate them to higher performance. These objects may be also an appropriate Christmas or anniversary present. T-shirts with the company logo are suitable supplement for various corporate sport events and especially during company presentations at events of other companies. (Holá, 2006)

3.6.6. Effective internal communication

All organizations consider effective communication as essential for survival. Without communication none of business would exist. Communication inside a company has to be effective as possible, this include communication in all directions – horizontal, vertical and diagonal.

"Effective communication is central to all organizations. Communication makes organizations possible, and well-motivated people who can work together are vital for any organization. The best electronic communication systems will fail if people do not work together." (Michael Fielding, 2006, p. 31)

Fielding (2006, p 103) believes that "person-to-person communication is the basis of all effective communication. Good interpersonal communication starts with a positive self-image. This self-image is built up through effective intrapersonal communication. This is communicating with oneself."

The organization works through collective activities of people, yet every individual is capable of his/her own actions, which may not be in compliance with the corporate policy or instructions or may not be properly communicated to the other people who should know about it. Well functioning communication is needed to achieve coordinated results. (Fielding 2006)

For an internal communication to be functional, it should meet following conditions (Mikuláštík 2003):

- Employees know company's objectives and are informed about possible changes. They are also informed about opinions of management towards current matter.
- Formal as well as informal relations are supported and there are no obstacles of informal relations.
- Positive attitudes and relationships are strengthening.
- Superiors know the potential and capabilities of individuals of their team.
- Superiors know competencies of individuals in their team and they coordinate and organize them.
- Each individual knows objectives and purpose of his/her team.
- Each worker knows what to do, what is expected from him/her.
- Feedback is required on all levels.
- Loyalty and identification of worker with company's and team objectives.

The importance of effective internal communication can be realized the most by seeing the consequences caused by communication errors and imperfections of firm communication. According to Holá (2006), the most frequent manifestations could be:

- Lack of information
- Incomplete information
- Ambiguous information

From these shortcomings can be produced information vacuum or information noise, which reduces the effectiveness of business activities.

3.6.6.1. Effective internal communication strategy

Internal communication strategy is based on the total company's strategy and its objectives. In the process of searching for paths to goals, management must take into consideration the importance of internal communication and its usage. Management, which works with complex content of functioning communication, sets its objectives as well as internal communications strategy. In order for the strategy to be successful and to lead achieving the goals, it is important in the company to first analyse what the management want to say and what the employees want to hear, identify problems that occur along with communicating and receiving information. (Holá, 2006, Armstrong, 2006)

• What does management want to say

What management wants to say depends on an assessment of what the employees need to know, which is on the other hand influenced by what they want to hear.

According to Armstrong (2006) management is usually trying to accomplish three things: (1) to achieve that workers understand and accept what management proposes to do in the areas that concern them, (2) to create a feeling of loyalty towards the goals, plans and values of the organization, (3) to help workers with more appreciation for their contribution to the success of the organization and understand how they will benefit.

Communication from management side should cover values, plans, intentions and proposals as well as achievements and results. Content of the communication should not sound as exhortation "nobody is paying much attention". Rather than emphasizing general abstract things such as increase of quality and productivity, it is better to concentrate on the specific requirements. These requirements should be expressed in a manner that emphasizes how all stakeholders will actually work together and which mutual benefits will have. (Armstrong, 2006)

What do workers want to hear

It is obvious that what the employees want to hear and learn are the matters that concern them directly. It is up to management to understand what the employees want to hear and according to that adapt the communication strategy. Discussions of specifically created groups of people may help to understand employee's attitudes. These kinds of groups bring together workers with the specific interest in certain field. Other possibilities could be: interviewing representatives of workers, informal listening to what they say and analysing employees' complaints. On the basis of this information, management can assess whether the improvement in the area of communication could change the employees attitudes. (Armstrong, 2006)

• Communication problem analysis

The analysis should result in documents for the creation of a communication system, setting up communication channels and to implement the principle of internal communication in the company management system. (Holá, 2006)

Armstrong (2006) suggests that the detailed analysis should be subjected to a specific case of employment relationships in which the main or accompanying factor problem was a failure of communication.

3.6.6.2. Measurement of effectiveness of internal communication

All the tools for measuring communication effectiveness are based on a feedback system. In order for the communication to be both sided, it is necessary to be patterned on the opinions and attitudes of both sides. If the company wants to know whether the set internal communication strategy is correct and whether each activity meets its primary goals, it necessarily must work with feedback. Visible concrete results are, of course, the best measure of success, but in order to have a visible improvement of behaviour and changes in employee's attitudes, there have to be enough long-term, homogeneous and synergistic action of all tools and channels. (Holá 2006)

If we want to measure effectiveness of internal communication, we have to first regard internal communication as a process and to manage it as a cycle. Another mistake in measuring internal communication is that is not being measured effectively. This means measuring impact at each link in the communication supply chain from messages, to channels effectiveness through to action and feedback. The measurement should focus on outcomes and be linked to contribution to the bottom line. (Quirke, 2008)

"Effective research into the impact of communication brings a range of benefits. The value of conducting internal research is that it often brings senior managers to awareness of the problems without triggering their defences – it gives an opportunity for education not accusation" (Quirke, 2008, p. 329)

Internal communicators need to measure the impact of what they do and use measurement to drive improvement. These measurements help internal communicators to demonstrate they are providing value in a language that the business understands. (Quirke, 2008)

Effectiveness of internal communication can be evaluated by measuring effectiveness of each communication tool. Within the frame of effective internal communication functioning, all tools must work in a unique synergy, must be connected and support each other. Individual tools for measuring the effectiveness allow obtaining different information for different purposes according to the objective pursued. In order for the measuring of effectiveness to be contributive, it always depends on the content and format of the query. At this point there is absolutely identical analogy to customer surveys in market research. (Holá, 2006)

Wright (2012) believes that the only way how to measure effectiveness of internal communication is by looking at the media (channels such as the intranet, briefings meetings and publications), the messages (organisational strategy, objectives, values and employee feedback) and meaning (understanding, commitments, involvement and how this might influence behaviours).

Another measuring can be done according to three main fields, which are part of objectives of internal communication (Holá, 2006):

- 1. Loyalty and satisfaction of employees
- 2. Overlapping of formal and informal communication
- 3. Satisfaction of customers

The satisfaction of customers in linked with satisfaction of employees. The employees behaviour is reflecting on relationship with customers, thus when the employees are satisfied, the customers are satisfied as well.

3.6.6.3. Communication audit

Among most important tools for measuring internal communication is the communication audit, which brings analysis and recommendations for organizational and systematic changes and analysis of communicational techniques focused on interpersonal relationships. (Vykopalová, 2000)

Audit is taken as an objective report of an organization's internal communication which provide a picture of what is happening compared with what senior executives think is happening. (Frank, Brownell, 1989). Managers need to know with whom they communicate, which channels they use and with which effect, which content they should communicate and from which sources the employees get the information. (Hargie, 2000)

Communication audit can be both internal as well as external. Authors of internal audits could be employees who are responsible for organizational communication or specialists of internal communication. The advantage of internal audit is the knowledge of communication system and its environment, thus the processing is much faster and cheaper. This advantage can be on the other side as a big disadvantage in form of blindness. On the other hand, an external audit is more costly, because external workers or agencies are hired by the company, but it can be moreobjective at the same time. (Tureckiová, 2004)

Communication audit surveys are extensive to cover as much as possible, but generally the following dimensions are examine (Hargie, 2000):

- Overall communication satisfaction
- Amount of information received from different sources (current and ideal)
- Amount of information received about specific job items (current, ideal)
- Areas of communication that need improvement
- Job satisfaction
- Availability of computer information system
- Allocation of time in a working day
- Respondents general communication behaviour
- Organization-specific questions
- Information-seeking patterns

After the preparation stage there comes the realization of the survey. Company has to find out the best way how to convince the audience to get involved in the survey. They can choose classical anonymous written and electronic form or more personal form - phone or interview. The third stage of audit is the evaluation part, where presentation or report is prepared from the results. The last, but most important part is the application of the results and their subsequent monitoring. It should be monitored whether the recommendations were fulfilled and what results they led to. (Tureckiová, 2004)

4. Practical Part

4.1. Organizations

4.1.1. Kooperativa pojišťovna, a.s.

Introduction

Kooperativa is the second largest insurance company on the Czech market and was established in 1991 as the first commercial insurance company. The share of the compulsory insurance in the Czech Republic is 23%. Kooperativa offers full range of services and all standard types of insurance for individuals as well as company clients from small businesses to large industrial companies.

"Kooperativa, Česká podnikatelská pojišťovna, and Pojišťovna České spořitelny are parts of the Vienna Insurance Group, one of the leading insurance groups in the Middle and Eastern European countries with their shares being traded on the stock exchange markets in Vienna and Prague." ¹

Number of employees: 3 775 (31st December 2011) 2

In summer 2012, general directorate of Kooperativa and Česká podnikatelská pojišťovna, which are part of VIG group moved into a newly constructed building. The building got name – the Central Office VIG CZ. With total office area of 22,000 m² and 1,200 working

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¹ http://www.koop.cz/en/about-us/

² http://www.koop.cz/o-nas/zakladni-informace/

positions, Kooperativa moved most of the offices from Prague into this building which can boasts with all kind of constructional and technical comforts. It was also awarded by Certificate LEED Platinum for its ecological modesty and greenness. ³

Internal communication

Untill 2009, Kooperativa has invested heavily in external communication (marketing communication and PR). The internal communication as itself was not official part of organization communication network. It was not systematized and coordinated by one body and sometimes was parallel in different organization segments. There was an intranet existing that time, but it was confused and the content was not coordinated. The main tool of internal communication was magazine Smaragd, but it needed to be improved, developed and written in more understandable way. The situation could be described as "everybody was saying something".

In 2009 new work position was established – internal communication specialist. This person became responsible for entire internal communication in Kooperativa. For good functioning internal communication, the fallowing aims and points were set up at the beginning:

- Internal communication is a key instrument for management and CEO support.
- Setting up clear and systematic rules and principles of internal communication.
- Cooperation and coordination with other departments (especially HR and sales)
- Improve communication of CEO, branches and departments
- Branches better supplied with information about sponsored events
- Project to support employee's loyalty
- Big promotion campaigns are followed by internal campaigns for employees
- Information support
- Assuring mutual understanding and cooperation on the base of feedback
- Responsible person internal communication specialist who is part of Public Relations which belongs to marketing and product development department

At the beginning, principles of internal communication were set up as well:

• Follow the rules/systematicness

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³ Kooperativa's bulletin about new building.

- Understandability/relevancy
- Choice of optimal communication channels
- Stress on new technology (e-mail, intranet)
- Timing/speed/flexibility
- Reduce bureaucracy/do not burden colleagues with pointless information
- Activity/feedback/listening to colleagues
- Respecting hierarchy of horizontal communication
- Substitutability/always relevant person is found

Nowadays is the internal communication fully functional and employees have accustomed to use all tools which are provided. In 2011, the company's intranet and its magazine Smaragd were the primary tools of internal communication. Communication related to the progress of the construction of the new building was intensified, and Smaragd was massively redesigned with a view to making the magazine easier to read. In 2011 the PR department organized five breakfast meetings with the general director, which were attended by more than 100 employees.⁴

The most used communication channels of internal communication

• Intranet: Intranet is the most used internal communication channel. Employees can find there all important documents for their daily tasks as well as other materials such as important news about Kooperativa, information from human resources department, dates of sport and social events, new employee's benefits and offers and information about current campaigns and competitions. Also photos and reports from company's events are displayed there.

The main intranet page is divided into several sections. In one section, employees can find all the important documents for download, in section "what is going on in Kooperativa" are current issues, photo reports from events, competition results and so on. There is also column from HR, where employees can find all important news from human resources department (benefits, employee's offers, etc.).

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⁴ http://www.koop.cz/en/about-us/

- Magazine: Magazine Smaragd is published monthly since 2006. Around 4,600 copies are printed out every month and sent to all branches all over the Czech Republic. Not only current employees, but also former employees, employees on maternity leave, brokers, subsidiary firms, VIG group have access to this magazine. Readers can learn about current events and activities of Kooperativa, success and achievements from previous month, social events and there is always a letter from CEO printed on first page. A randomly chosen cover page and content of magazine Smaragd can be found in supplements
- Weekly newsletter: This newsletter is sent every Monday through e-mail to all
 employees and inform about internal events of company from previous week. It
 also contains internal standards and curiosities and interesting news from
 insurance business all over the world. This is a great tool, how to ease the
 Mondays working atmosphere as well as inform the employees about important
 issues.
- <u>E-mail</u>: Internal communication uses e-mail for communication with all employees. Emails with uniform template are controlled and sent through internal communication specialist. Thus the information is systematic, unified, controlled and received only by employees to whom is the information intended and does not burden other employees. These e-mails contain every important message for employees which did not fit into weekly newsletter or the message is urgent, thus it cannot wait for the next one, for example technical information about building (facility conditions)
- <u>LED TV screens in the main building</u>: Kooperativa took advantage of the new building and placed numbers of LED TV screens in all floors. These screens serve as bulletin boards which project and reflect current events mainly in photos and short comments. TV screens are located on halls and free zones, thus the employees can watch them during their pause or every time they pass it on the way from office to office.

- Internal campaigns: Kooperativa prepares internal campaigns all the time.
 These campaigns should inform employees about company's products or present them some current changes in more easy and understandable and funny way. Among successful campaigns belong for example:
 - Campaign of introducing totally new and completely different insurance product. The aim of this campaign was to inform employees about this product funny way by placing stickers of funny and smart text in elevators, toilets, kitchens, etc. There were also hostesses one day at the entrance who were informing the employees and giving them small presents with Kooperativa logo.
 - Campaign about new building represented moving from all offices in Prague into the central building. Because some people were afraid of change and they got used to their offices, the aim of this campaign was to inform about the opportunities which brings the new building, new technical possibilities and prepare workers for comfortable offices.
- <u>Company's items and gifts</u>: Kooperativa distributes different items with company's logo on all social, sport and cultural events. These items are also used as small gifts during internal competitions organized for employees.
- Competitions for employees: Competitions try to actively involve employees into current events and increase their interest in company. They are organized during whole year and sometimes the prices are very valuable. As an example one competition was about best experience with Kooperativa. Employees were supposed to write an essay or send a photograph with their best experience which they had with Kooperativa. Then all employees got involved in selecting the winner.
- Sport events for employees: Employees as well as their children can participate in different sport events which are organized throughout the year. These

"camps" are co-financed by Kooperativa and participants can take part in bike

tours or ski trips into Austrian mountains.

Breakfast with CEO: A several times a year, PR department organizes breakfast

with general director. All employees have the same opportunity to sign for this

breakfast and several topics for discussion are prepared. There is also

refreshment served.

4.1.2. Raiffeisenbank a.s.

Introduction

Raiffeisenbank a.s. is an important banking institution that provides wide range of banking

services to private and corporate clientele in the Czech Republic. Raiffeisenbank is a

member of Austrian Raiffeisen Group that also offers products and services in the Czech

Republic in the area of building savings (Raiffeisen stavební spořitelna), insurance

(UNIQA pojišťovna) and leasing (Raiffeisen-Leasing, Raiffeisen-Leasing Real Estate).

Raiffeisenbank has merged with eBanka, a.s., in 2008.⁵

Number of employees: 2,993 (December 2012)

Internal communication

Internal communication team works in RB from year 2006. Until that time were the main

tools of internal communication managed by human resources department and marketing

department. HR department was responsible for intranet and internal magazine was the

product of marketing department. All other departments were managing the

communication by themselves. Nowadays, internal communication team consists of two

full employed workers who are in charge of all the tools of internal communication.

The internal communication to all employees is in Raiffeisenbank divided

according to frequency into three groups - quarterly, monthly and continuous

communication. The continuous communication consists of e-mails, intranet, line

communication and communication inside different projects. Monthly communication is

⁵ http://www.rb.cz/en/information-service/bank-profile/

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represented by internal magazine, online chats with CEO or other board directors and update of managers. Quarterly are send e-mails from CEO.

Generally is the internal communication focused more on informing employees about bank performance (results, new products, awards, external perception, etc.), top management communication (e-mails from CEO, chats and ad hoc messages), crisis communication and on "people and life in RBCZ"

The most used communication channels of internal communication

- <u>Intranet</u>: Intranet is the most used tool of internal communication in Raiffeisenbank. Employees can find there important bank results, press release, key projects milestones, etc. These news and topics are followed by intranet discussion which usually requires subsequent reaction and answers to complete the full information. Moreover, the intranet page is divided into several sections and under these sections, employees can find all important applications, programs, documents, forms, etc., which are needed for their daily work.
- <u>E-mail</u>: Email is used as a Quick and mass impact channel for 2 types of announcements:
 - Key announcement: Here belong for instance quarterly messages from CEO about bank results and changes in management and branch robberies.
 These messages are called "must know" messages.
 - Operational info: These e-mails contain support services, facility changes,
 IT and legal announcements. They are marked as "must know/need to know"

There could be also third type e-mail messages at it would be for example reminding from human resources department about fulfilling income tax return and other kinds of messages from HR.

• Magazine: Internal magazine called Erbéčko is published every second month in electronic form and it is send by email to all employees. The link is also displayed at the front intranet page. Articles contain long-term value information about bank and are written in more interest way from ordinary employee point of view and are focused on employees' stories. There are also lot of articles from financial world

(for example hot issue nowadays – pension reform), bank results and reached milestones in given period of time, photos from social events, best employees awards and lot of other serious as well as funny and interested information, interviews and articles for employees. There is an attempt to shift magazine more into a life-style form. The topics are report with emphasis on attractions of the text, pictures and photos, humour and work with emotions. An example a front page of magazine from January-February 2013 can be found in supplements

- <u>Chat with CEO</u>: Team of internal communication organizes almost every month online chats with CEO and other members of board. These chats have always some topic (retail, IT, etc.) and kind of measure the pulse of RBCZ. In year 2011, there were 10 chats organized and they have become very popular among employees.
- Major employee events: Bank organizes major employee events every year (annual all bank events, Christmas events, etc.). Annual all bank events are always held in some hotel in Prague and all employees are invited. The invitations are sent by internal communication team through e-mail and because of huge interest and limited capacity, employees have to register. Christmas event are usually organized by each departments or branches.
- Road shows: Road shows are bank initiatives to reach employees at their places.
 These shows are used as a tool, how to introduce employees new products or explain certain projects and bank activities.

4.2. Questionnaire and its results

To analyze the functioning of internal communication, the questionnaire was focused mainly on used communicational tools, communication with management, employee's satisfaction and overall functioning of internal communication from the employee point of view. The aim was to get the employee's opinion about the internal communication in the company they fork for. The questionnaire was distributed in written as well as electronic form and was addressed to regular employees in the companies.

The questionnaire was divided into six parts according to surveyed fields:

- 1. Objectives, values, future of the company. The aim of this part was to find out whether the employees know the main objectives of the company, its values and whether they believe in future of the company and agree with recent changes.
- 2. Loyalty and overall employee's satisfaction. The well set up internal communication is a basis for good functioning company and important factor for employees' loyalty, thus the employees were asked about their importance for the company, their loyalty and whether they are satisfied with their work and would recommend the company as an employer to their friends.
- 3. Communication with management. This part of questionnaire is dedicated to communication with management and direct supervisor and the chance of supervisor evaluation.
- **4. Setting of internal communication.** The overall functioning and setting of internal communication is found out in this part. Respondents were asked whether they are satisfied with getting information and from whom and how they get the information. Moreover, the barriers in internal communication were found out.
- 5. Most used tools of internal communication. There were chosen the tools which have both companies in common and employees were ask to evaluate them according to their benefit and reliability in obtaining information. Moreover, were the questions focused on the two most used and important tools intranet and internal magazine.
- **6. Statistical data.** Besides the gender, age and education, a question about duration of working relationship was asked.

4.2.1. Kooperativa

Demographic analysis

The number of participants in this survey was 79. From the total number of respondents were 67% females and 33% males. The age distribution was following: Almost half of people (47%) were in age group 35-50, the second largest groups were 25-35 years with

27% of respondents and more than 50 years (24%). Only 2% marked themselves as younger than 25 years.

Graph no. 4.2.1.1.: Gender and age

■ Male ■ Female ■ <25 ■ 25-35 ■ 35-50 ■ >50

Source: own research

Separation according to education shown that most employees (62%) have high school education and there are 34% of workers with university degree. The rest 4% studied high school without a leaving examination.

Trained, high school without leaving examination
High school with leaving examination, vocational school
University

Less than 1 year ■ 1-3 years
4-5 years
More than 5 years

Graph 4.2.1.2.: Reached education and duration of working relationship

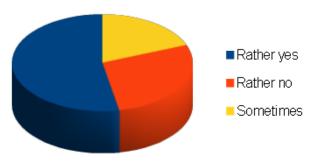
Source: own research

Objectives, values, future of the company

The overall results of this part were very positive. 84% are every year familiar with the business plan and only 6% doesn't know the basic point of company's strategy. Employees also believe in good future for Kooperativa -82% of workers think that the company is perspective in a long run.

The more disputatious question was about openness of management communication, where more thank half employees (53%) feels that management communicates with them openly, but on the other hand, almost 30 percent (precisely 28%) think the opposite way. The rest 19% thinks that management communicates with employees openly only sometimes.

Graph 4.2.1.3.: Question no.1) Do you suppose that the management communicates with you openly, doesn't gloss over and tell you all important information?



Source: own research

Loyalty and overall employee's satisfaction

Other very good results appear in the section about employee's loyalty. More than 80% of respondents answered positively on each question, hence there is no need to describe the results into more details. In general, employees of Kooperativa feel loyal, important and satisfied in their job and 90% of them would recommend this company to their friend.

Communication with management

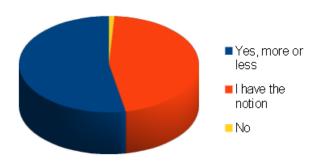
In this part were employees asked whether the management of the company sufficiently, often and clearly explains the important information. 63% feels like they get sufficient and clear information from the management. On the opposite side, 37% suppose that there is not enough communication from the management side.

For internal communication to be successful there has to be always a feedback from both sides – employee and management, therefore the question about management evaluation was appropriate. It was found out that more than 90% of employees don't use the opportunity to evaluate their supervisor because they don't have this opportunity or

they don't know whether they have it or not. Thus only 8% of employees have the chance for evaluation and just 3% use it.

This part has also shown that almost all employees know the organizational structure. In the following graph are represented individual answers.

Graph 4.2.1.4.: Question no.10) Do you know the organization's structure? Who does what and why?



Source: own research

Setting of internal communication

According to results from this part of questionnaire, it was examine that the internal communication in general is set up very well. 80% of employees support this statement by answering positively on question: "Do you suppose that the internal communication in the company is set up well and is effective? "Moreover, 48% of workers don't see any barriers of internal communication at all and if the people see any barriers, it is usually due to lack of time of management. In the table below are represented individual options and their percentage representation.

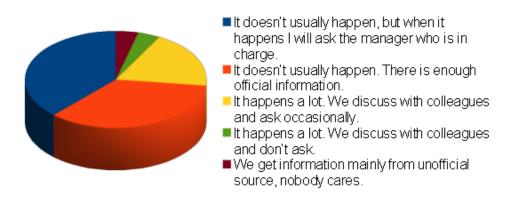
Table no. 4.2.1. Question no. 13) What barrier in internal communication do you see between you and the company (management)?

I don't see any barriers. I am satisfied.	48%
Lack of time.	28%
Insufficient communication capability and skills of management	10%
Rather lack of management consistency	9%
Rather unwillingness, unconcern of management.	5%

Source: own research

57% of employees suppose that they have enough information for their work, 32% feel like they are overloaded by information and only 11% of staff is not satisfied with the amount of provided information. It is also important for the workers from which source they get the information, whether it is from official or unofficial side. According to data, almost three quarters of workers (73%) stated that they get most information from the official source and only 4% get their information only from unofficial source. The following graph describes all answers according to provided data.

Graph 4.2.1.5.: Question no. 15) Does it happen that you get the important information more likely from unofficial source than from official one (management)? What do you do in this case?

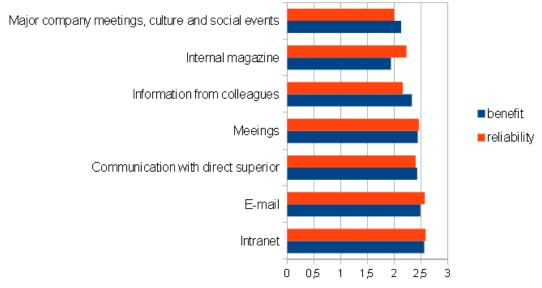


Source: own research

Most used tools of internal communication

The rest of questionnaire was focused on evaluation of individual tools which are used in internal communication. In the fist part were chosen seven tools and respondents had to evaluate them according to their benefit and reliability. Neither of the represented tools had a big difference between the two features. As the most reliable and conducive tools were selected intranet, e-mail to all employees, communication with direct superior and meetings. The following graph represents all the results according to data provided by the questionnaire.

Graph 4.2.1.6.: Question no. 16) Evaluate the following internal communication tools according to how they are conducive and reliable in getting the information.

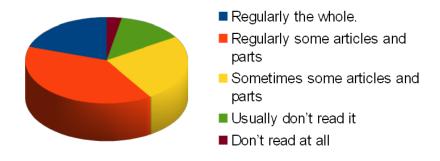


Intranet and internal magazine as the two most used tools were subsequently more analyzed more deeply.

Internal magazine Smaragd

More than 80% of respondents stated that they read this internal magazine. On opposite side, only 3% don't read the magazine at all. The following graph represents the percentage distribution according to reading frequency.

Graph 4.2.1.6.: Question no. 17) How often do you read Smaragd?



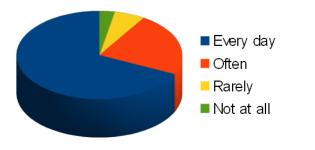
Source: own research

In general is the magazine Smaragd seen as a comprehensive and useful source of information, but 16 out of 79 employees don't see the magazine as conducive for their work. The graphical presentation is seen as a plus.

The magazine is distributed to employees in printed form, therefore the workers were asked whether they are satisfied with this form or they would rather prefer electronic version. 66% of respondents answered that they are satisfied with the current form, 18% would rather prefer electronic magazine and 16% don't know. Employees had also chance to comment on imperfection of magazine, but this opportunity used only few of them. Respondents mentioned that the magazine is written more for business section, the cost of printing this magazine are wasted and the paper is not ecological. Some employees prefer more fun parts and photos from events, some of them rather more professional articles.

Intranet

The questionnaire confirmed that the intranet is one of the most used tools of internal communication in Kooperativa. 68% of respondents use intranet every day and 23% very often. Only 3% of employees declared that they don't use intranet at all.



Graph 4.2.1.7.: Question no. 21) How often do you use intranet?

Source: own research

The overall impression of intranet among employees is very positive. It was evaluated favorable in all aspects. People see it well graphically processed, useful, comprehensive and conducive for their work. Only one comment appeared in optional question about intranet imperfection and if was about graphics.

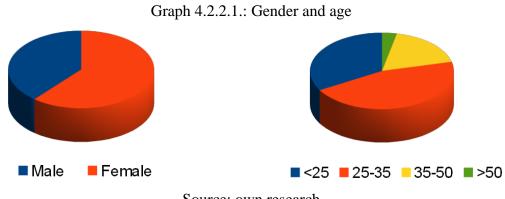
Employees had also chance to comment on the setting and effectiveness of internal communication. This opportunity used only few employees and statements such as bad

feedback from managers, too much information and getting the information in delay appeared.

4.2.2. Raiffeisenbank

Demographic analysis

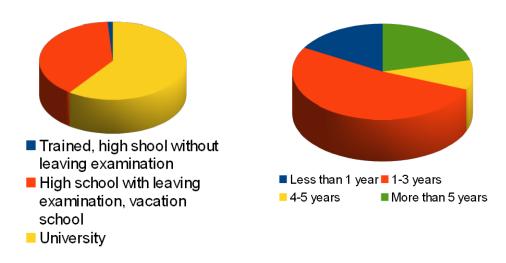
The number of respondents in the research was 90. From the total number of participants were 61% females and 49% males. The age segmentation was following: almost half (46%) was in the second youngest range (25-35 years), 33% of respondents were people younger than 25 and other age groups were represented by 18% for group 35-50 and 3% for people older than 50 years.



Source: own research

Most of the respondents are university graduates (60%) and the second largest group (39%) finished high school with leaving examination. The two other groups (high school without leaving examination and primary school) are quite negligible.

Graph 4.2.2.2.: Reached education and duration of working relation.

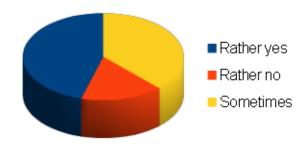


Objectives, values, future of the company

The overall evaluation of this part was very positive. Employees are well informed about the company's objectives and strategy and believe that the company is perspective in long run. With the annual business plan are familiar 81% of workers and 70% of employees know the basic points of company's strategy. In the perspective future of the company believe 68% of all employees.

The only less positive point was about openness of communication. On the question: "Do you suppose that the management communicate with you openly doesn't gloss over and tell you all important information?" answered 46% of employees positively, 17% negatively and the rest 37% thinks that the management communicates openly only sometimes.

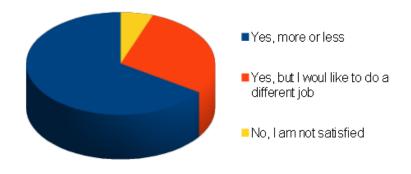
Graph 4.2.2.3. Question no. 1) Do you suppose that the management communicates with you openly, doesn't gloss over and tell you all important information?



Loyalty and overall employee's satisfaction

Employee's loyalty is very much connected with the overall satisfaction and feeling about importance and is it the key element and driving force of a well functioning company. On each question of this part, more than half of respondents answered positively. 59% of all employees feel like they are important for the company and 90% suppose that they are loyal to the company. Moreover 88% of workers would recommend Raiffeisenbank as an employer to their friend. This result was supported by the answer about employee's satisfaction. 66% of workers are satisfied with their job, 29% are satisfied, but prefer different job and only 5% are not satisfied. The results are graphically represented below.

Graph 4.2.2.4. Question no. 6) Are you satisfied in the company?



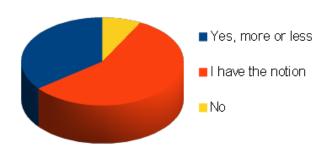
Source: own research

Communication with management

This part of questionnaire was dedicated to employee's foreknowledge about their management. 62% of workers think that the management communication is adequate and management communicates with the staff understandable way and explain all important information. On the opposite side, 38% suppose that there is not enough communication from the management side.

Employees were asked whether they know the organizational structure and who does what and the result was very good. More than half of the people (57%) have the notion about the structure, 35% know the structure and only 8% of workers don't know the organizational structure.

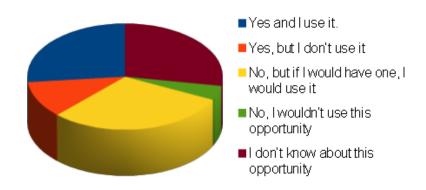
Graph 4.2.2.5. Question no. 10) Do you know the organization's structure? Who does what and why?



Source: own research

The results about management evaluation were very interesting. The exact question was: "Do you have an opportunity to regularly evaluate your supervisor manager?" There were five different possibilities how to answer to this question. Let's firstly divide the employees according to whether they have this opportunity or not. 34% employees don't have the opportunity to evaluate their supervisor manager, 38% have the opportunity and the rest (28%) don't even know whether they have this chance. The whole quarter of employees can evaluate the supervisor manager and fully use this opportunity, but most of the workers – 30% who would like the opportunity to evaluate their supervisor don't have one.

Graph 4.2.2.6. Question no. 11) Do you have an opportunity to regularly evaluate your superior manager?



Setting of internal communication

Employees were asked whether they think the internal communication in general is set up well and is effective. About two thirds (74%) find the communication effective and well set up. The employees who answered the opposite way (26%) were asked to mention a concrete example of incorrectly set up communication. The opportunity to write any comment used only 5 employees. The comments were following:

- Non-functioning feedback
- New motivation system is too difficult
- To many communication channels
- Delay of some information
- Information from meetings doesn't sometimes reach all employees fault of direct superiors.

In the following question were employees asked about the barriers of internal communication. The most selected barrier was lack of time (30% of respondents). The precise results are represented in the following table:

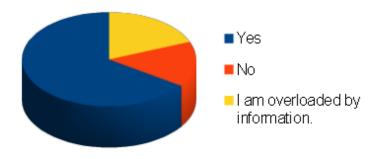
Table no. 4.2.2.: Question no. 13) What barrier in internal communication do you see between you and the company (management)?

Lack of time.	31%
I do not see any barriers. I am satisfied	25.5%

Rather lack of management consistency	
Rather unwillingness, unconcern of management.	15,5%
Insufficient communication capability and skills of management	9%

Another very interesting result was about amount of information which employees get. 66% of workers according to the survey get enough information, 15% are not satisfied with amount of information and 19% feels like they are overloaded by information.

Graph 4.2.2.7. Question no. 14) Do you think you have enough information for your work?



Source: own research

The setting of internal communication can be also evaluated by fact whether there is enough information from official source. The less formal (official) communication, the more informal communication appears in the organization. Therefore the employees were asked from which source they usually get the information. It can be generally said that half employees get the information from official sources (precisely 48%) and half from unofficial once (52%). The following graph represents how the employees react on the unofficial sources.

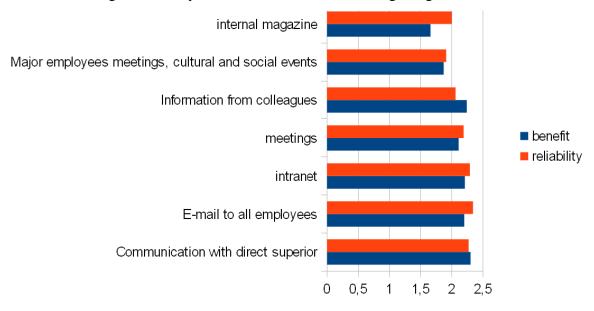
Graph 4.2.2.8. Question no. 15) Does it happen that you get the important information more likely from unofficial source than from official one (management)? What do you do in this case?



Most used tools of internal communication

The most important part of the questionnaire was about tools which are used in internal communication. There were chosen seven tools and employees were supposed to evaluate how they are conducive and reliable in getting new information. The evaluation scale was in three levels: 1- the least conducive/reliable, 3- the most conducive/reliable. The most conducive and reliable tool is seen the communication with direct superior, e-mail to all employees and intranet. The internal magazine seems the least relevant tool. The following graph represents the detailed results.

Graph 4.2.2.9. Question no. 16) Evaluate the following internal communication tools according to how they are conducive and reliable in getting the information.

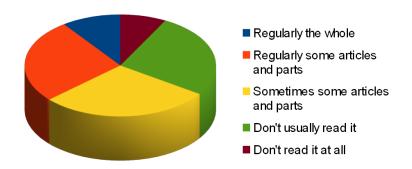


Furthermore, two most used tools of internal communication—internal magazine and intranet were examined into more details the. The main aim was to find out how often employees use these tools and how they are satisfied with them.

Internal magazine Erbéčko:

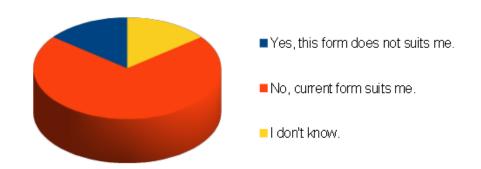
Let's firstly focus on the reading frequency. From the 90 respondent more than one quarter (29%) read sometimes some articles and part of the magazine, the second two most represented groups of people (both had 26.5%) either read regularly some parts or don't usually read it. The whole magazine read 10 % and only 8% don't read the magazine at all.

Graph 4.2.2.10. Question no. 17) How often do you read Erbéčko



Moreover, among the employees of RB, the magazine is perceived as a comprehensible source of information and is also seen as very good graphically processed. For 43% is the magazine conducive source of information and only 8% sees it as a useless tool.

As it was mentioned at the tools overview, magazine is provided in electronic way, therefore the employees were asked whether they are satisfied with this form or would rather prefer printed version. The results were explicit -71% are satisfied with current form, 14.5% would rather prefer printed form and the rest (14.5%) is indifferent.



Graph 4.2.2.10. Question no. 19) Would you prefer rather printed form?

Source: own research

Employees had also chance to mention imperfections of magazine if they see some. This opportunity used only two respondents. For one employee is the magazine dull and boring and for the other one doesn't contain useful information.

Intranet

Intranet is taken as a very important tool of internal communication in RB and all employees work with it. 72% employees stated that they use intranet every day, 17% use it very often and the rest (11%) sometimes. Generally is the intranet received as very good source of information, comprehensible and reliable. But 20% of employees think that it could be better graphically processed. Respondent mentioned other imperfections of intranet, for example: there is sometimes difficult to find information; most of the articles are not up-to-date and the graphics could be done more absorbingly.

4.3. Comparison of results

To compare the internal communication in the two selected companies, the results from questionnaire were put into table and the comparison of data was done. The questions were again divided into six parts according to which field of internal communication there are describing plus the statistical data. In the following tables are represented results from individual questions and absolute value of difference between the concrete data. Hence it can be easily seen how did the employees in these companies answer on individual questions and where is the biggest difference in the provided answers and thus in the internal communication.

For better recognition is the column with data from Kooperativa colored in green and Raiffeisenbank in yellow (these are the companies' colors)

Objectives, values, future of the company

It can be generally stated that employees from both companies are more or less the same informed about the company's objectives and strategy, there weren't find any significant differences. Similar results were also in the question about openness of management communication. Even though 28% of employees in Kooperativa don't think the management communicates with them openly, in Raiffesienbank on the other hand 37% declare that the management openness is seen only sometimes. Hence the overall result is practically the same. The only significant result in this part was in case of perspective future, where employees of Kooperativa believe more in good future (Kooperativa 82%, Raiffeisenbank 68%)

Table no. 4.3.1.: Objectives, values, future of the company

Koop % RB %		RB %	Difference			
1. Do you suppose that the management communicates with you openly doesn't gloss over and tell you all important information?						
Rather yes	53	46	7			
Rather no	28	17	11			
Sometimes	19	37	18			
	100	100				
2. Are you familiar with the annual business plan for each year?						
Yes	84	81	3			

No	16	19	3			
	100	100				
3. Do you know the basic points of company's strategy?						
Yes	55	70	15			
No	6	6	0			
Some of them	39	24	15			
	100	100				
4. Do you believe in perspective future of the company? (horizon 5-10 years)? Do you believe that all changes which take place in the company follow the right objective?						
10 years)? Do you believe that all changes which						
10 years)? Do you believe that all changes which company follow the right objective?			14			
10 years)? Do you believe that all changes which company follow the right objective? Yes, I believe that the company is perspective in	take place	in the	14 8			
10 years)? Do you believe that all changes which company follow the right objective? Yes, I believe that the company is perspective in long run.	take place	in the				

Loyalty and overall and employee's satisfaction

The overall employees satisfaction is connected with the loyalty and feeling of importance. One of the objectives of internal communication is to support this feeling and thus let's see how the employees of the two selected companies are satisfied. Almost all employees of both companies are satisfied in their work, but one third of satisfied people in RB would like to do a different job. Both companies have as well very loyal employees who would also recommend this company to a friend. The only difference was in feeling of importance, where the result was very positive for Kooperativa. 83% of workers in Kooperativa feel that they are important, while in Raiffeisenbank it is less than 60%. Even 23% employees of this company feel useless.

Table 4.3.2.: Loyalty and overall and employee's satisfaction

	Koop %	RB %	Difference			
5. Do you feel important for the company? And the company appreciates you as its partner?						
Yes, I believe that I do good job and the company	02	59	24			
No, I feel useless.	83	23	15			
I don't know, I do not care.	9	18	9			

	100	100	
6. Are you satisfied in the company?			
Yes, more or less.	87	66	21
Yes, but I would like to do a different job.	9	29	20
No, I am not satisfied.	4	5	1
	100	100	
7. Do you suppose that you are loyal to your com	pany?		
Yes, I suppose I am loyal.	95	90	5
I don't suppose I am loyal.	4	6	2
I don't know, I do not care.	1	4	3
	100	100	
8. Would you recommend this company as an enfriend?	iployer to y	our	
Yes	90	88	2
No	10	12	2
	100	100	

Communication with management

In this section were the results more or less the same. Majority of employees (around 60%) fell that the management communicates with them sufficiently, often and clearly explains the important information. In both companies is also the majority of employees informed about the organizational structure, but still in Kooperativa have the employees more clear image.

The use of feedback is one aspect of well functioning internal communication. The evaluation of superior manager is very easy way, how to use two-way communication. It usually happens that manager evaluates his/her subordinates, but lot of companies don't use the other way around. Opportunity to evaluate superior has 38% of employees in Raiffeisenbank and 28% don't know if there is such opportunity. The second company gives this opportunity only to 9% of employees or maybe even more, but almost 39% of employees don't know about it. And this is pity, because 32% who doesn't have the opportunity would use it. To conclude, Raiffeisenbank use this kind of feedback much often.

Table no. 4.3.3.: Communication with management

	Koop %	RB %	Difference		
9. Do you feel that the management of the company sufficiently, often and clearly explains the important information?					
Yes	63	62	1		
No	37	38	1		
	100	100			
10. Do you know the organization's structure? Wwhy?	Vho does wl	hat and			
Yes, more or less	53	35	18		
I have the notion	46	57	11		
No	1	8	7		
	100	100			
11. Do you have an opportunity to regularly eval manager?	luate your s	superior			
Yes, and I use it.	3	27	24		
Yes, but I don't use it.	6	11	5		
No, but If I would have one, I would use it.	32	30	2		
No, I wouldn't use this opportunity.	20	4	16		
I don't know about this opportunity.	39	28	11		
	100	100	_		

Setting of internal communication

How is the internal communication set up in Kooperativa compared to Raiffeisenbank shows table no. 4.3.4. According to employees is the internal communication set up well in both companies. Almost half of workers in Kooperativa don't see any barrier in internal communication, while in Raiffeisenbank it is about one quarter of employees. As the most seen barrier was selected in both firms lack of time of management.

Employees of both companies get enough information in general. In Kooperativa even more than enough - 32% of workers stated that they are overloaded by information. But the amount of information is not the only important measure. Other significant aspect is also from which source is the information taken. The questionnaire shows that there is a noticeable difference between amounts of information from official an unofficial source in the companies. Three quarters of employees in Kooperativa declares that they get their

information mainly from official sources whereas in Raiffeisenbank it is only 48%. The unofficial information are subsequently confirmed in most cases by superiors.

Table no. 4.3.4.: Setting of internal communication

	Koop %	RB %	Difference
12. Do you suppose that the internal communicat	tion in the		
is set up well and is effective (information system	, meetings	, wide	
company's meetings)?			
Yes	80	74	6
No	20	26	6
	100	100	
13. What barrier in internal communication do y	on see bet	ween vou	
and the company (management)?	ou see see	week you	
Rather unwillingness, unconcern of management.	5	15,5	10,5
Rather lack of management consistency	9	19	10
Lack of time.	28	31	3
Insufficient communication capability and skills of			
management	10	9	1
I don't see any barriers. I am satisfied.	48	25,5	22,5
	100	100	·
14. Do you think you have enough information fo	r vour wo	rk?	
Yes	57	66	9
No	11	15	4
I am overloaded by information	32	19	13
,	100	100	
15. Doog it hannon that you get the important inf	armatian	173 0 14 0	
15. Does it happen that you get the important inflikely from unofficial source than from official or			
What do you do in this case?	ie (manag	ememi).	
It doesn't usually happen, but when it happens I			
will ask the manager who is in charge.	38	28	10
It doesn't usually happen. There is enough official			
information.	35	20	15
It happens a lot. We discuss with colleagues and			
ask occasionally.	19	41	22
It happens a lot. We discuss with colleagues and	4	0	A
don't ask. We get information mainly from unofficial source,	4	8	4
nobody cares.	4	3	1
nood outon	100	100	1
	100	100	

Source: own research

The most used tools of internal communication

After analyzing all tools of internal communication in both companies, there were selected seven common which were in questionnaire evaluated by employees according to their benefit and reliability. The most conducive (beneficial) as well as reliable tool in Kooperativa is according to employees the intranet and on the second place is e-mail to all employees. In Raiffeisenbank is intranet on the second place according to reliability, whereas most beneficial tool of internal communication for workers is the e-mail to all employees and communication with direct superior is the most conducive.

The interesting outcome of inquiry was that internal magazine was placed in Kooperativa on penultimate place and in Raiffeisenbank even on last place.

Table 4.3.5.: Evaluation of most used tools in Kooperativa and Raiffeisenbank

Tuble 1.3.3 Evaluation of most used tools in Rooperativa and Raintelsenban			
Kooperativa	Benefit	Reliability	
Intranet	2.56	2.59	
E-mail to all employees	2.49	2.57	
Communication with direct superior	2.43	2.4	
Meetings	2.44	2.46	
Information from colleagues	2.33	2.16	
Internal magazine	1.94	2.23	
Major employee meetings, culture and social events	2.13	2	

Raiffeisenbank	Benefit	Reliability
Communication with direct superior	2.3	2.27
E-mail to all employees	2.2	2.34
Intranet	2.21	2.29
Meetings	2.11	2.19
Information from colleagues	2.24	2.06
Major employee meetings, cultural and social events	1.87	1.91
Internal magazine	1.66	2

Source: own research

Comparison on two most used tools of internal communication turned as follows. Intranet is in both companies seen as very conducive source of information and useful for employees' work. Approximately 70% of employees in both companies use intranet every day. In Kooperativa are the employees more satisfied with the graphical interpretation and

for huge majority (82%) is the intranet comprehensible and readable, while in Raiffeisenbank it is only 68%.

Table no. 4.3.6.: Intranet

Intranet	conducive informatio n source	comprehensi ble and readable	Good graphic	Useless	conducive informatio n source	comprehensi ble and readable	Good graphi c	Useless
yes	94	82	71	3	94	68	60	0
No	4	8	13	91	4	20	22	92
I don't know	2	10	16	6	2	12	18	8
Total %	100	100	100	100	100	100	100	100

21. How often do you use intranet?			
Every day	68	72	4
Often	23	17	6
Rarely	6	11	5
Not at all	3	0	3
	100	100	

Source: own research

The overall evaluation of internal magazine wasn't as successful as the evaluation of intranet. As conducive source of information is the magazine for 53% of employees in Kooperativs and in Raiffeisenbank even less (44%) The satisfaction with graphic interpretation is also lower in Raiffeisenbank. 64% of employees in Raiffesienbank like the graphics, while in Kooperativa it is about 21% more (85%).

The reading frequency in Kooperativa is also more positive. The majority employees in Kooperativa read the magazine regularly, whereas in Raiffeisenbank the most of the employees read the magazines only sometimes or regularly only some articles and even 26.5% stated that they don't read the magazine usually.

Since the internal magazines are published in different forms in the companies – in Kooperativa are the magazines printed and in Raiffeisenbank are always only in electronic version, employees were asked whether they would prefer the other form. The results were in both companies more or less the same – the employees already got used to the particular form of magazine and only 18% in Kooperativa and 14.5% in Raiffeisenbank would prefer

the other choice. But some respondents comment on imperfection of internal magazine by a statement, that the printed version is costly and is not ecological.

Table no. 4.3.7.: Internal magazine

Internal magazin e	conduciv e informati on source	comprehen sible and readable	Good graphic	Usele ss	conduciv e informati on source	comprehen sible and readable	Good graph ic	Useless
yes	53	77	85	11	44	68	64	9
no	20	11,5	4	72	23	4	12	61
I don't know	27	11,5	11	17	33	28	24	30
total %	100	100	100	100	100	100	100	100

17. How often do you read Smaragd/Erbéčko						
Regularly the whole.	20	10	10			
Regularly some articles and parts	39	26,5	12,5			
Sometimes some articles and parts	25	29	4			
Usually don't read it	13	26,5	13,5			
Don't read at all	3	8	5			
	100	100				
19. Would you prefer rather printed/electronic f	orm?					
Yes, this form does not suit me.	18	14,5	3,5			
No, current form suits me.	66	71	5			
I don't know	16	14,5	1,5			
	100	100				

Source: own research

Statistical data

The statistical data provided demographic analysis of the employees and significant differences of age of respondents as well as their duration in the job and education were found out. In Kooperativa predominates people older than 35 years, while in Raiffeisenbank is the majority of people is in group lower than 35 years. Kooperativa has about 60% of employees with high school degree, whereas in Raiffeisenbank almost the same number of people has university diploma. The duration of employment also differs a

lot. In Kooperativa is the majority of employees employed for more than 5 years and in Raiffeisenbank it is less than 3 years.

These demographic differences could very significantly influence the results of the questionnaire and the evaluation of internal communication as a whole. For example the employees who work in company more than 5 years are probably the most loyal employees and have different opinions about the organization. Besides they are loyal, they also believe in good future of the company and the feeling of importance might be stronger as well. On the other hand, in Raiffeisenbank are lots of part time workers, who might feel as useless component of a working chain only because of the job they do.

Table no. 4.3.8.: Statistical data

	Koop %	RB %	Difference
24. Gender			
Male	33	39	6
Female	67	61	6
	100	100	
25. Age			
<25	2	33	31
25-35	27	46	19
35-50	47	18	29
>50	24	3	21
	100	100	
26. Reached education			
Primary school	0	0	0
Trained, high school without leaving examination	4	1	3
High school with leaving examination, vocational			
school	62	39	23
University	34	60	26
	100	100	
27. How long have you been employed in this cor	npany?		
Less than 1 year	4	17	13
1-3 years	13	52	39
4-5 years	15	10	5
More than 5 years	68	21	47
	100	100	

Source: own research

The analysis of communicational tools has found out that both companies use more or less the same tools. The most used tools in both companies are: intranet, e-mail, internal magazine, meetings, internal campaigns and road shows. On the other hand the communication with CEO is quite different. In Kooperativa breakfasts with CEO, where employees can sign and discuss current topics are regularly organized, while in Raiffeisenbank the communication with CEO is provided by monthly online chats. Another difference in used tools is in the form of internal magazine – Kooperativa uses a printed version while Raiffeisenbank an electronic version. The employees in both companies are satisfied with the provided form, but some workers in Kooperativa consider the printing of magazine to be costly and not environmental friendly. The provided events for employees are also a little bit different. Kooperativa organizes sport events for its employees and their children, whereas Raiffeisenbank does not provide this kind of events, but on the other side it organizes some major events for all employees.

To summarize the results from the inquiry, it has been found out that the internal communication in both companies is set up well. Regarding the internal communication effectiveness the results were very good. All objectives of internal communication are met and employees are used to use all tools which are available to them. However some differences have been found out. In Kooperativa, the employees are more satisfied with internal communication and see fewer barriers than the employees in Raiffeisenbank. The staff in Raiffeisenbank also gets more information from unofficial sources. A big imperfection of internal communication in Kooperativa is the lack of superior evaluation. In Kooperativa there are three times fewer employees who have a chance to evaluate their superiors. Some employees in Kooperativa also believe that they are overloaded by information and have lots of tools which provide them with information, but they do not know which tools they should use. Nevertheless, the comparison of results has shown that the overall internal communication effectiveness seems to be more positive for Kooperativa. The employees in Kooperativa are more satisfied in their jobs; more of them believe in good future of the company and see fewer barriers in communication with their management. However, these results can be very much influenced by demographic differences among the respondents of both companies.

5. Conclusion

Internal communication and its functioning should be the key to organizational success. This element can be a crucial competitive advantage in contest for employee quality and thus more and more companies are oriented inside the company. Managers of successful companies have realized that the well set up internal communication and the quality internal culture is needed. The internal communication represents a very important tool which ensures effective organization functioning. For many companies the internal communication has become an effective factor which increases the capability of achieving the set up objectives.

This diploma thesis deals with internal communication functioning in a particular example in practice. The main objective was to evaluate and subsequently compare the internal communication and the most important tools of two companies which operate on the Czech market – Kooperativa and Raiffeisenbank. The theoretical background of internal communication is described in the third chapter of this thesis. The forth chapter is dedicated to the practical example, where the organizations are firstly introduced, the current situation of internal communication is described and all used tools are characterized. To analyze the overall functioning and internal communication effectiveness, the questionnaire was used. This questionnaire was focused on main objectives of internal communication – employees' loyalty and satisfaction; foreknowledge about company's goals and strategy and constant feedback. Moreover, the main tools of internal communication – intranet and internal magazine were deeply analyzed.

Internal communication as a responsible body or department in an organization has become popular and familiar only in last decade in the Czech Republic. This also approves the evaluation of both companies, where the internal communication department functions only for few years. It does not mean that the internal communication had not existed before; it had just been managing by individual departments or segments. Moreover the tools which are used for internal communication has changed during the time. Nowadays companies use more often e-mail, intranet, LED TV screens, electronic internal magazines and other electronic tools which can easily and faster achieve the objectives o internal communication. The questionnaire which was used to evaluate the internal communication

in the two companies has shown that it doesn't matter if the internal magazine is electronic or printed or how many tools does the company use, but it mainly depends on the information which is provided. If the company uses enough tools of internal communication, but the information are not reliable and conducive or the employees do not know which tools to use, the internal communication is not effective.

The comparison of internal communication according to questionnaire has shown that the overall internal communication is more effective in Kooperativa. The employees in Kooperativa are more satisfied in their jobs; more of them believe in good future of the company and see fewer barriers in communication with their management. However, these results can be very much influenced by demographic differences among the respondents of both companies. It has been actually found out that the respondents in Kooperativa are much older and have been employed in this company for longer time than the ones in Raiffeisenbank. Hence this difference could influence the results of the questionnaire very significantly and also the evaluation of internal communication as a whole. For example the employees who have been working in a company for more than 5 years are probably the most loyal employees and have different opinions on their organization. Besides they are loyal, they also believe in good future of the company and the feeling of importance might be stronger as well. On the other hand, in Raiffeisenbank there are lots of part time workers, who might feel themselves as useless component of a working chain only because of the job they do. However, the evaluation of internal communication according to demographic structure of the employees was not the objective of this thesis. The main goal was to evaluate the internal communication in the selected companies and this goal has been reached.

To conclude, the research which has been done in the two selected companies has thus confirmed the acquired information from the literature analysis. A properly functioning internal communication is reflected by the overall employees' satisfaction with their business. Employees are proud of the company in which they work and spread its good name. They are also loyal to the company and the company becomes stable.

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7. Supplements

Supplement no. 1. Alphabetical list of abbreviations

Supplement no. 2. Questionnaire

Supplement no. 3. Results of questionnaire

Supplement no. 4. Organizational structure of Kooperativa

Supplement no. 5. Organizational structure of Raiffeisenbank

Supplement no. 6. Internal magazine Smaragd

Supplement no. 7. Kooperativa's Intranet

Supplement no. 8. Internal magazine Erbéčko

Supplement no. 9. Raiffeisenbank's Intranet

Supplement no. 1. Alphabetical list of abbreviations

CZ - Czech Republic

HR - Human resources

IC - Internal communication

ICQ - I Seek You (Instant Messaging Program)

Koop - Kooperativa a.s.

PR - Public relations

RB - Raiffeisenbank a.s.

RB - Raiffeisenbank Czech Republic

SMS - Short Message Service

VIG - Vienna Insurance Group

Supplement no. 2. Questionnaire

Dear employees of Raiffeisenbank/Kooperativa,

I am presenting you the following questionnaire which will help me to gain important information about the functioning of internal communication in your company. The right way of communication is the foundation of every company and also an important factor of employees' satisfaction. The result of this questionnaire will be used as primary data for the practical part of my diploma thesis. I would like to ask you for utmost precision, frankness and truthfulness during the filling. This questionnaire is anonymous and will be used only for my thesis.

Thank you for your time.

Kateřina Jelínková

- 1. Do you suppose that the management communicates with you frankly; doesn't gloss over your opinions and informs you about all important matters?
 - a) Rather yes
 - b) Rather no
 - c) Sometimes
- 2. Are you familiar with the annual business plan for each year?
 - a) Yes
 - b) No
- 3. Do you know the basic points of company's strategy?
 - a) Yes
 - b) No
 - c) Some of them
- 4. Do you believe in perspective future of the company? (in term 5-10 years)? Do you believe that all changes which take place in the company follow the right objective?
 - a) Yes, I believe that the company is perspective in long run.
 - b) I do not believe, last changes seem to be useless for me.

c)	I do not know, I do not care.
5. Do y	ou feel important for the company? Does the company appreciate you as its partner?
a)	Yes, I believe that I work well and the company appreciates me.
b)	No, I feel useless.
c)	I do not know, I do not care.

6. Are you satisfied in the company?

- a) Yes, more or less.
- b) Yes, but I would like to do a different job.
- c) No, I am not satisfied.

7. Do you suppose that you are loyal to your company? (do your best and enjoy working for this company?)

- a) Yes, I suppose I am loyal.
- b) I do not suppose I am loyal.
- c) I do not know, I do not care.

8. Would you recommend this company as an employer to your friend?

- a) Yes
- b) No

9. Do you feel that the management of the company sufficiently, often and clearly explains important information?

- a) Yes
- b) No

10. Do you know the organization's structure? Who does what and why?

- a) Yes, more or less
- b) I have a notion
- c) No

11. Do you have an opportunity to evaluate your superior manager regularly?

- a) Yes, and I use it.
- b) Yes, but I do not use it.
- c) No, but if I would have one, I would use it.
- d) No, I would not use this opportunity.
- e) I do not know about this opportunity.

12. Do you suppose that the internal communication in the company is set up well and is effective (information system, meetings, wide company's meetings)? If not, please write a concrete example.

b) No

13. What barrier in internal communication can you see between you and the company (management)?

- a) Rather unwillingness, unconcern of management.
- b) Rather lack of management consistency
- c) Lack of time.
- d) Insufficient communication capability and skills of management.
- e) I cannot see any barriers. I am satisfied.

14. Do you think you have enough information for your work?

- a) Yes
- b) No

c) I am overloaded by information.

15. Does it happen that you get any important information more likely from unofficial source than from official one (management)? What do you do in this case?

- a) It does not usually happen, but when it happens I will ask the manager who is in charge.
- b) It does not usually happen. There is enough official information.
- c) It happens a lot. We discuss with colleagues and ask occasionally.
- d) It happens a lot. We discuss with colleagues but do not ask.
- e) We get information mainly from unofficial source, nobody cares.

16. Evaluate these implements according to benefit and reliability of acquired information. (1 - minimum, 3 - maximum).

intranet	benefit	1	2	3
Intranet	reliability	1	2	3
internal magazine	benefit	1	2	3
internal magazine	reliability	1	2	3
e-mail to all employees	benefit	1	2	3
e-man to an employees	reliability	1	2	3
maatings	benefit	1	2	3
meetings	reliability	1	2	3
information from colleagues	benefit	1	2	3
information from coneagues	reliability	1	2	3
communication with direct comparion	benefit	1	2	3
communication with direct superior	reliability	1	2	3
wide company meetings, culture and social events	benefit	1	2	3
wide-company meetings, culture and social events	reliability	1	2	3

Please evaluate the most used tools of internal communication in your company.

Monthly magazine Smaragd/Erbéčko

17. How often do you read Smaragd/Erbéčko

- a) Regularly and the whole.
- b) Regularly but only some articles and parts
- c) Sometimes and only some articles and parts
- d) Usually do not read it
- e) Do not read at all (write the reason)

18. Do you perceive Magazine Smaragd/Erbéčko as...

Conducive information source	yes	no	not know
Comprehensible and readable	yes	no	not know
Very good graphically processed	yes	no	not know
Completely useless, does not bring any new information	yes	no	not know

19. Would you prefer rather printed/electronic form?

- a) Yes, this form does not suit me.
- b) No, current form suits me.
- c) I do not know

20	TO				n		• 4			
20.	If von	can s	ee anv	ımberi	fection.	please	write	down	which	once.

Intranet

21. How often do you use intranet?

- a) Every day
- b) Often
- c) Rarely
- d) Not at all.

22. Do you perceive intranet as ...

Conducive information source	yes	no	not know
Comprehensible and readable	yes	no	not know
Very good graphically processed	yes	no	not know
Completely useless, does not bring any new information	yes	no	not know

23. If you can see any imperfection, please write down which once.

.....

24. Gender

- a) Male
- b) Female

25. Age

- a) < 25
- b) 25-35
- c) 35-50
- d) > 50

26. Reached education

- a) Primary school
- b) Trained, high school without leaving examination
- c) High school with leaving examination, vocational school
- d) University

27. How long have you been employed in this company?

- a) Less than 1 year
- b) 1-3 yearsc) 4-5 years
- d) More than 5 years

Supplement no. 3 Results of questionnaires

	Koop %	RB %	difference
1 D			4
1. Do you suppose that the management communicates with you opekly, does information?	n't gioss over and	ten you an imp	ortant
Rather yes	53	46	7
Rather no	28	17	11
Sometimes	19	37	18
	100	100	
2. Are you familiar with the annual business plan for each year?			
Yes	84	81	3
No	16	19	3
	100	100	
3. Do you know the basic points of company's strategy?			
Yes	55	70	15
No	6	6	0
Some of them	39	24	15
	100	100	
4. Do you believe in perspective future of the company? (horizon 5-10 years)?	Do you boliove th	ot all changes y	vhich taka
place in the company follow the right objective?	Do you believe in	at all changes v	vinch take
Yes, I believe that the company is perspective in long run.	82	68	14
I don't believe, last changes seem useless for me.	14	22	8
I don't know, I do not care.	4	10	6
,	100	100	
5. Do you feel important for the company? And the company appreciates you	_	50	24
Yes, I believe that I do good job and the company appreciates me. No, I feel useless.	83 8	59 23	24 15
•	9	23 18	9
I don't know, I do not care.	100	100	9
6 Are you getisfied in the commonly?	100	100	
6. Are you satisfied in the company? Yes, more or less.	87	66	21
Yes, but I would like to do a different job.	9	29	20
No, I am not satisfied.	4	5	1
10, I alli not satisfied.	100	100	1
	100	100	
7. Do you suppose that you are loyal to your company? (do a good job and you	u are aled that you	ı work for this	company2)
Yes, I suppose I am loyal.	95	90	5
I don't suppose I am loyal.	4	6	2
I don't know, I do not care.	1	4	3
	100	100	
8. Would you recommend this company as an employer to your friend?	100	100	
Yes	90	88	2
No	10	12	2
	100	100	0
9. Do you feel that the management of the company sufficiently, often and clea	arly explains the i	mportant infor	mation?
Yes	63	62	1
No	37	38	1
	100	100	
10. Do you know the organization's structure? Who does what and why?			
Yes, more or less	53	35	18
I have the notion	46	57	11
No	1	8	7
	100	100	
11. Do you have an opportunity to regularly evaluate your superior manager?	•		

Yes, and I use it.	3	27	24
Yes, but I don't use it.	6	11	5
No, but If I would have one, I would use it.	32	30	2
No, I wouldn't use this opportunity.	20	4	16
I don't know about this opportunity.	39	28	11
	100	100	
12. Do you suppose that the internal communication in the company is set up meetings, wide company's meetings)? If not, please write a concrete example.	well and is effectiv	ve (information sy	stem,
Yes	80	74	6
No	20	26	6
	100	100	
13. What barrier in internal communication do you see between you and the	company (manage	ment)?	
Rather unwillingness, unconcern of management.	5	15,5	10,5
Rather lack of management consistency	9	19	10
Lack of time.	28	31	3
Insufficient communication capability and skills of management	10	9	1
I don't see any barriers. I am satisfied.	48	25,5	22,5
	100	100	
Do you think you have enough information for your work?			
Yes	57	66	9
No	11	15	4
I am overloaded by information	32	19	13
	100	100	
15. Does it happen that you get the important information more likely from u (management)? What do you do in this case?	nofficial source th	an from official o	ne
It doesn't usually happen, but when it happens I will ask the manager who is in	20	20	10
charge.	38	28	10
It doesn't usually happen. There is enough official information.	35 19	20 41	15 22
It happens a lot. We discuss with colleagues and ask occasionally. It happens a lot. We discuss with colleagues and don't ask.	4	8	4
We get information mainly from unofficial source, nobody cares.	4	3	1
we get information mainly from unorneral source, hobody cares.	100	100	1
16 a) Tools acording to benefit	aver		
Intranet	2,56	2,21	0,35
Internal magazine	1,94	1,66	0,28
E-mail	2,49	2,2	0,29
Meeings	2,44	2,11	0,33
Information from colleagues	2,33	2,24	0,09
Communication with direct superior	2,43	2,3	0,13
Major company meetings, culture and social events	2,13	1,87	0,26
16 b) Tools according to reliability	ovo.	ro go	
Intranet	2 50		0,3
Internal magazine	2,59 2,23	2,29 2	0,3
E-mail	2,57	2,34	0,23
Meeings	2,46	2,19	0,23
Information from colleagues	2,16	2,06	0,1
Communication with direct superior	2,4	2,27	0,13
Major company meetings, culture and social events	2	1,91	0,09
		<i>r</i>	.,
17. How often do you read Smaragd/Erbéčko	20	10	10
Regularly the whole.	20	10	10
Regularly some articles and parts	39 25	26,5	12,5
Sometimes some articles and parts Usually don't read it	25 13	29 26,5	4 13.5
Don't read at all	3	20,5 8	13,5 5
Don Croad at an	100	100	
19. Do vou noussius Magazina Smaragd/Enhážlta as	100	100	

18. Do you perceive Magazine Smaragd/Erbéčko as...

Yes No

I don't know

Yes No

I don't know

19. Would you prefer rather printed/electronic for
--

Yes, this form does not suits me.

No, current form suits me.

I don't know

20. If you see any imperfection, please write down which once.

Kooperativa

Late information

Not ecological paper

More for retail segment, wasted costs

Taken photos on events were not printed

Regarding the weekly newsletter is the magazine useless to me

More profesional information

Raiffeisenbank

Sometimes boring and not interesting

It is focused more on retail segment, it it not interested for me

21. How often do you use intranet?

Every day Often Rarely Not at all

22. Do you perceive intranet as...

Kooperativa

Yes

No

I don't know

Raiffeisenbank

Yes No

I don't know

conducive information source	comprehensible and readable	Good graphic	Useless
74 3 2	65 6 8	56 10 13	2 72 5
79	79	79	79
conducive information	comprehensible and readable	Good graphic	Useless

72

17

11

0

100

61

18

90

4

6

5

3

54

20

16

90

0

83

7

90

68

23

6

3

100

source

84

4

90

conducive information source	comprehensible and readable	Good graphic	Useless
42	61	67	9
16	9	3	57
21	9	9	13
79	79	79	79
conducive information source	comprehensible and readable	Good graphic	Useless
39	61	57	8
21	4	11	55
30	25	22	27
90	90	90	90

18	14,5	3,5
66	71	5
16	14,5	1,5
100	100	

23. If you see any imperfection, please write down which once.

Kooperativa

The graphics is not unified

Raiffeisenbank

Searching the information is not intuitive

Individual sections of departments are not clearly arranged. It is not easy to find old articles.

Most of the articles are not up-to-date (product catalogu) or they are published too lates. Searching and the graphics is old More information would be better, more frequent refresh.

Improve graphical design. It could be done more absorbingly.

24. Gender				
Male	33	39	6	
Female	67	61	6	
	100	100		
25. Age				
<25	2	33	31	
25-35	27	46	19	
35-50	47	18	29	
>50	24	3	21	
	100	100		
26. Reached education				
Primary schoul	0	0	0	
Trained, high school without leaving examination	4	1	3	
High school with leaving examination, vocational schoul	62	39	23	
University	34	60	26	
	100	100		
27. How long have you been employed in this company?				
Less than 1 year	4	17	13	
1-3 years	13	52	39	
4-5 years	15	10	5	
More than 5 years	68	21	47	
	100	100		

Supplement no. 4. Organizational structure of Kooperativa

Organisational Chart as at 1. 4. 2012

Management Board

Ing. Martin Diviš, MBA

Chairman of the Management Board and General Manager Mag. Gerhard Lahner
Member of the Management Board

JUDr. Hana Machačová

Member of the Management Board and Deputy General Manager

Ing. Milan Nidl, MBA

Member of the Management Board

Jiří Sýkora

Member of the Management Board

RNDr. Petr Zapletal, MBA

Member of the Management Board

Ing. Konštantín Alexejenko, Member of the Management Board and Deputy General Manager until 31 March 2012

Supervisory Board

Dr. Peter Hagen

Chairman of the Supervisory Board

Dkfm. Karl Fink

Vice-chairman of the Supervisory Board Jan Wiesner

Vice-chairman of the Supervisory Board

Ing. Roman Brablec

Member of the Supervisory Board

Mag. Roland Gröll

Member of the Supervisory Board

Mag. Erwin Hammerbacher

Member of the Supervisory Board

Bc. Roman Hojný, MBA

Member of the Supervisory Board

Dr. ing. Vratislav Kulhánek Member of the Supervisory Board Mgr. Martin Laur Member of the Supervisory Board

Ing. Juraj Lelkes

Member of the Supervisory Board

Jan Růžička

Member of the Supervisory Board

prof. MUDr. Eva Syková, DrSc., FCMA

Member of the Supervisory Board

Dr. Günter Geyer, Chairman of the Supervisory Board until 31 March 2012

Agencies

Prague Agency Mgr. Petr Skalický Central Bohemia Agency PhDr. Roman Leština, MBA South Bohemia Agency Jiří Vančura

West Bohemia Agency Arnošt Bergmann North Bohemia Agency Ing. Josef Rozkovec East Bohemia Agency Bc. Roman Hojný, MBA

South Moravia Agency Ing. Jaroslav Kučera, MBA North Moravia Agency Ing. Zbyněk Dostál

Centres

Claims Adjustment Centre – Property and Liability Ing. Miroslav Novák Claims Adjustment Centre – Motor Vehicles Ing. Milan Gregor Centre of Occupational Injury Liability Insurance JUDr. Ladislav Žák

Centre of Insurance Contract Liability Ing. Jana Součková, MBA

Customer Support Centre Ing. Tomáš Szewieczek

Departments

General Management Services Ing. Jaroslav Suk Legal Department Mgr. Martin Laur Marketing and Product Development Department Ing. Milan Medek

Human Resources Department Mgr. Jan Března

Motor Vehicle Insurance Department Ing. Václav Runštuk – in charge

Property and Liability Insurance Department PhDr. Michael Neuwirth

Commercial Risk Department Jiří Sýkora Internal Business Management Department Ing. Radek Burian External Business Management Department Ing. Richard Procházka

Purchasing and Services Department Ing. Ctirad Fischer Economic Department Ing. Vit Rozsypal

Personal Lines Insurance Department Mgr. Filip Král

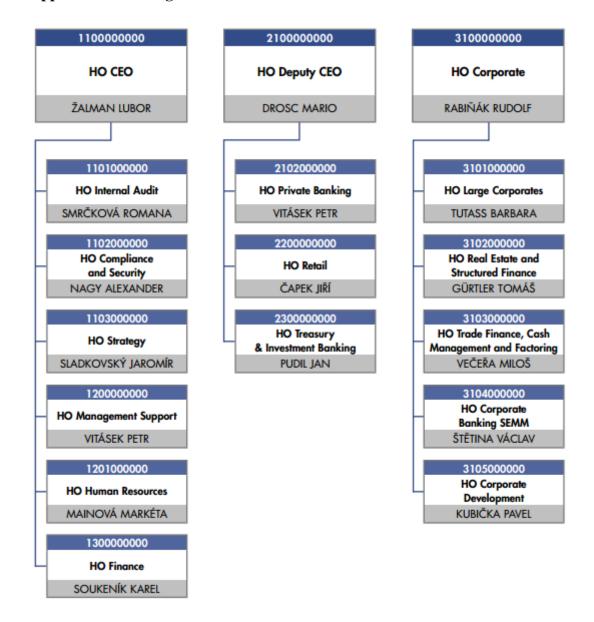
Information Technology Department Ing. Karel Pavlík Sales Support Department Ing. Filip Holý, Ph.D.

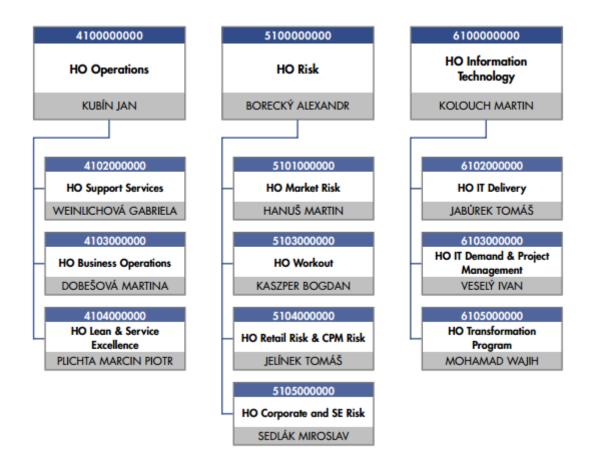
Actuarial Department Mgr. Jan Šváb, Ph.D.

Internal Audit Department JUDr. Karel Hromada Change Management Department Mgr. Branislav Jakabovič, MBA Planning and Controlling Department Ing. Evžen Heřman

Reinsurance Department Ing. Roman Brablec Treasury Department Ing. Luděk Marek

Supplement no. 5 Organizational structure of Raiffeisenbank





Supplement no. 6. Internal magazine Smaragd



Supplement no. 7. Kooperativa's Intranet



Supplement no. 8. Internal magazine Erbéčko



Supplement no. 9. Raiffeisenbank's Intranet

