

RAZVOJ ODRŽIVIH SISTEMA INTERNIH KOMUNIKACIJA U PREDUZETNIČKOM OKRUŽENJU: EMPIRIJSKA I STATISTIČKA ANALIZA

DEVELOPING SUSTAINABLE INTERNAL COMMUNICATIONS SYSTEMS IN THE ENTREPRENEURIAL ENVIRONMENT: EMPIRICAL AND STATISTICAL ANALYSIS

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Abstract

In establishing a new organizational system and methods of work, it is necessary to inform employees about all issues important for its functioning. If that kind of approach is absent, it can easily happen that employees from the start react with resistance and mistrust due to misinformation regarding the goals, both organizational, and individual. Such a lack of honest and open communication within the organization made the flow of information difficult or non-existent. In order to build a sustainable internal communication system and thus restore employees' confidence in the future, it is essential that any initiative of this kind starts from the leadership. Towards the solution to the problem of internal communication two potential models can be applied: a) the transparency of information, or b) two-way communication. Information transparency refers to the organizations where employees already have a high level of confidence in the leadership and its decisions, so that the information they receive is considered as relevant and true. On the other hand, the process of two-way communication should be applied to build or re-build trust and connect employees to the organization and leadership. In this research, the sample was purposive for employees in small and medium-sized enterprises on the territory of the Republic of Serbia (n=152). It was established that employees evaluate the relationship with the direct manager better than the understanding of their own problems by the direct manager. Older respondents have a better relationship with their direct managers. Respondents who have a total working experience of 21-30 years rate the communication with their direct manager somewhat worse.

Sažetak

U uspostavljanju novog organizacionog sistema i metoda rada potrebno je informisati zaposlene o svim pitanjima važnim za njegovo funkcionisanje. Ako izostane takav pristup, lako se može dogoditi da zaposleni u startu reaguju otporom i nepoverenjem zbog dezinformacija o ciljevima, kako organizacionim, tako i individualnim. Takav nedostatak iskrene i otvorene komunikacije unutar organizacije učinio je protok informacija teškim ili nepostojećim. Kako bi se izgradio održiv sistem interne komunikacije i tako vratilo poverenje zaposlenih u budućnost, neophodno je da svaka inicijativa ove vrste krene od rukovodstva. Za rešavanje problema interne komunikacije mogu se primeniti dva potencijalna modela: a) transparentnost informacija ili b) dvosmerna komunikacija. Transparentnost informacija odnosi se na organizacije u kojima zaposleni već imaju visok nivo poverenja u rukovodstvo i njegove odluke, tako da se informacije koje dobijaju smatraju relevantnim i istinitim. S druge strane, proces dvosmerne komunikacije treba primeniti kako bi se izgradilo ili ponovo izgradilo poverenje i povezali zaposleni s organizacijom i rukovodstvom. U ovom istraživanju uzorak je bio namenski za zaposlene u malim i srednjim preduzećima na teritoriji Republike Srbije (n=152). Utvrđeno je da zaposleni bolje procenjuju odnos sa direktnim rukovodiocem nego razumevanje vlastitih problema od strane direktnog menadžera. Stariji ispitanici imaju bolji odnos sa svojim direktnim rukovodiocima. Ispitanici koji imaju ukupno radno iskustvo od 21-30 godina nešto lošije ocenjuju komunikaciju sa direktnim rukovodiocem.

Ključne reči: komunikacija, preduzetništvo, liderstvo, organizaciono ponašanje

Keywords: communication, entrepreneurship, leadership, organizational behavior

Introduction

Communication represents the process of exchanging information via understandable symbols, in a verbal or non-verbal way. In business communication, special emphasis is put on the fact that it needs to be understandable, and also relevant, accurate, and timely. Communication, as one of the most important business factors, includes different types of relationships between employees and as such represents the basis of efficient work in every company and a source of competitive advantage on the market [1]. Numerous studies show that quality communication within an organization plays a significant role in shaping the attitudes of employees, such as loyalty, trust, job satisfaction, work performance and a positive relationship towards the management and organization [2], [3]. Men and Stacks [2] concluded that internal communication is the basis for the exchange of information between employees, thus establishing relations, exchanging views and opinions and building the organizational culture and its values. Establishing an affective internal communication represents the dominant force in the organization and thus regulates the activities leading to the achievement of common objectives and promotes the importance of socialization and inclusion of employees in decision making and problem solving [2].

Karanges et al. [4] agrees with this statement, and adds that development of trust and commitment of employees is in direct connection with the exercise of inter communication which primarily has to be open and timely.

Creating stable and sustainable communications systems

In order to achieve organizational goals, it is essential that they connect with the professional aspirations of employees, and the only way these two things can be linked is the creation of internal communication channels that will be used on a daily basis for the realization of benefits for both sides [5]. When employees receive relevant and timely information from their colleagues and supervisors, they will be more open to collaboration, which will develop a sense

of mutual trust. When employees receive relevant and timely information from their colleagues and supervisors, they will be more open to collaboration, which will develop a sense of mutual trust. Information sharing with employees is one of the crucial things in creating a good atmosphere and a sense of trust in the organization. Therefore, the communication system in organizations should primarily adhere to an organized process of informing members of staff of all issues important for its functioning.

In this context, organizational changes, particularly those that are sudden and unplanned, can lead to problems and have a negative impact on employees' attitudes toward the organization. Negative feedback related to organizational changes amplifies resistance and resentment, diminishes employee engagement, and may impede the successful implementation of such changes [6].

Leadership must know that employees are always keen to receive information, even if it is bad, then they do not have any information about the important issues of the organization. Thus, the employee will have the feeling of involvement in all the processes within the organization, which will increase their motivation and become active in solving problems or improving business operations. Development of internal communication must be seen as a powerful tool in mobilizing all forces in the organization to overcome all kinds of problems. Development of the system of internal communication creates a sense of synergy, trust and openness between employees, leadership and organization [7]. This is important because loyalty and motivation of employees in large part comes from bonding with the organization. As part of their workplace, employees receive various types of professional relations and contacts, both internally and externally, but two types are dominant: a) communication and connection with the organization and leadership, b) open communication and understanding with colleagues and the supervisors [4]. However, if there is a lack of communication then the creation of any of these positive relations or interactions will not be possible.

The functioning of both levels of communication is essential for the creation of internal value relationships based on trust, as well as in setting up a distinctive organizational culture. Only if the leadership is open enough to communicate with their employees regarding the goals, vision and plans of the organization can they expect feedback, which is very important when it comes to the development of the organization, and also in overcoming potential problems [4]. Therefore, as one of the main grounds for satisfaction and tying workers to the organization is the establishment of effective internal communication [8]. The way in which employees perceive the organization and leadership will greatly influence the creation of organizational culture, and also the link between effective leadership and establishing internal communications will directly affect the increase of general employment satisfaction [2]. The connection of internal communication and sustainability of organizational culture with leadership is great, because the power and interface of the organization lies in the qualities of leaders and leadership.

Verčić Tkalac [9] highlights the positive correlation among three variables: employee engagement, employer brand, and perceived organizational support. This correlation extends to satisfaction with internal communication, affirming that in contemporary organizations, attractiveness, profitability, and future business success hinge on prioritizing employees and potential employees. Recognizing them as the foremost stakeholders is essential for the organizational development.

It is clear that the leadership of the organization designs the manner and model of how internal communication will function [1]. In this way, leadership becomes the main creator of the system of communication within the organization and for it to be successful the direction of the information must first go from top to bottom and then spread through all organization levels. In order to gain the trust and loyalty of employees, the organization and leadership should build a relationship based primarily on open communication, facts and common values as well as mutual respect and consistency. This must be consistently achieved, because if there is no such approach in organizational culture construction, it could easily happen that employees are placed in an untenable position, due to lack of communication and misinformation, where their predominant feeling is that

they provide much more to the organization than it gives them, which can negatively affect both motivation and productivity. These kinds of relations may occur when there are barriers in the communication process, which are mainly personal or related to the organizational environment. Those relating to the environment are primarily related to organizational culture and an overall manner in which it is organized. While personal interference or barriers are related to the relationship of the individual from the top management to others in the organization. In both cases, these kinds of barriers greatly hinder or block the transfer of information, as well as the reception and understanding of the other side [10]. The adversarial dynamics between employees and the organization become particularly evident during crisis events, wherein unsupportive employee behavior and a compromised internal reputation significantly influence the crisis' outcome [11]. Scholars and practitioners responsible for fostering positive employee morale and strengthening employee-organizational relations need to focus on comprehending the mechanism through which strategic internal communication aids employees in coping with unplanned events. Grasping this mechanism can empower organizations to communicate more effectively with employees and enhance their ability to cope successfully [12].

Two-way communication contributes to transparency and greatly strengthens relations between organizations - management - employees. By giving information to all members of the organization about important issues, cohabitation is created between organization - employees thus producing an additional depth of understanding of potential problems. If there is no exchange of views and opinions, or a hierarchy of communication, the organization can face large problems, which can result in specific kinds of employee resistance or even increase turnover.

As the lines between work and personal life become increasingly blurred, the importance of effective internal communication becomes more evident. In this context, organizations must embrace digitization in internal communication to thrive in this digitally driven era where staying connected and agile is crucial for success [13].

Data, methodology and stylized facts

In order to see the opinion and assessment of the employees in the organization regarding the employee-manager relationship and regarding the achievement of the strategic goals of the organization and the organizational culture itself, primary research was created, and the following research questions were asked:

Q1: How and to what extent does the immediate manager understand the problems and needs of the employees?

Q2: How do employees evaluate the relationship at work with the direct manager?

The data were collected using a survey method on Google Forms. The research sample is a non-random, purposive sample of employees in small and medium-sized enterprises on the territory of the Republic of Serbia. The pilot survey included 25 respondents. After the analysis of the pilot research (which involved checking the content validity of all aspects measured in this research), the final version of the survey was compiled and the research was conducted on a new group of 152 respondents ($n=152$). The data collection period was from March 2023 to June 2023.

Open-ended questions where respondents were supposed to write their attitude/opinion, expectations were handled qualitatively. Closed-ended questions in the questionnaire, from the point of view of measurement were scale, ordinal and nominal. Attitudes and opinions were rated by the interviewees on a scale from 1 to 5, where 1 is "Not a bit/Extremely Ineffective", and 5 is "A Great Deal/Extremely effective". In order to obtain answers to the research questions, measures of central tendency (Mean, Median, Mode, Q1-first quartile, Q3-third quartile), measures of dispersion, measures of symmetry and correlation analysis were calculated. Non-parametric techniques (Kruskal Wallis Test, Mann-Whitney U test) were used to test the research questions.

Research results

As previously mentioned, 152 respondents participated in the research, 68 (44.7%) female and 84 (55.3%) male. The largest percentage of respondents are 30-40 years old, 59.2% of them, as well as Bachelor Degree 94 (61.85%). An equal percentage of respondents have total working experience of 6-10 years, 35.5%, and 11-20 years, 33.6%. For more see Table 1.

Table 1: Summary of demographics

		Frequency	Percent
Gender	Male	84	55.3
	Female	68	44.7
	Total	152	100.0
Age Category	18-29	38	25.0
	30-40	90	59.2
	41-51	24	15.8
	Total	152	100.0
Total working experience (in years)	1-5	43	28.3
	6-10	54	35.5
	11-20	51	33.6
	21-30	4	2.6
	Total	152	100.0
Level of Education	High school	40	26.3
	Bachelor Degree	94	61.8
	Master of Science	18	11.8
	Total	152	100.0

Source: Authors (2023), results of primary research

The level of education of Bachelor Degree and Master of Science is slightly higher for female respondents.

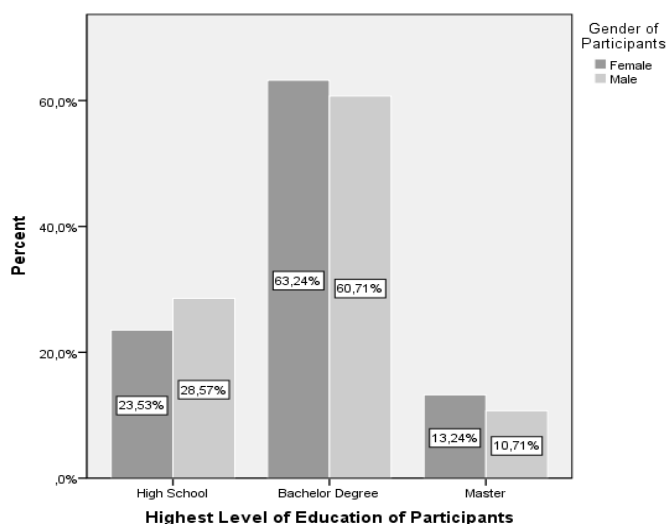
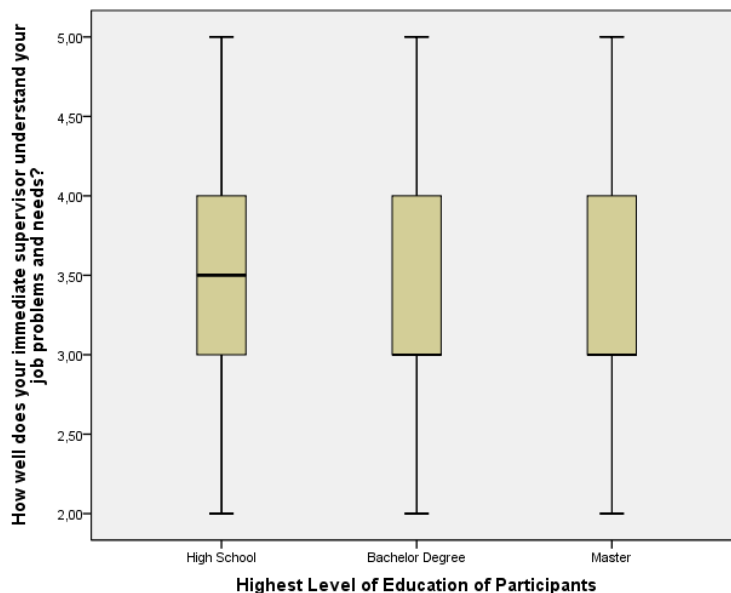


Figure 1: Structure of respondents in relation to gender and level of education

Source: Authors (2023), Results of primary research

The respondents rated the understanding of their own problems by the managers with an average score of 3.45, the median is 3 (50% of the respondents give a score of 3 or less), the mode is also 3, Skewness=0.384 (the variable shows a mean positive asymmetry) and relatively weak variability (the coefficient of variation is 22.60 %). Male and female

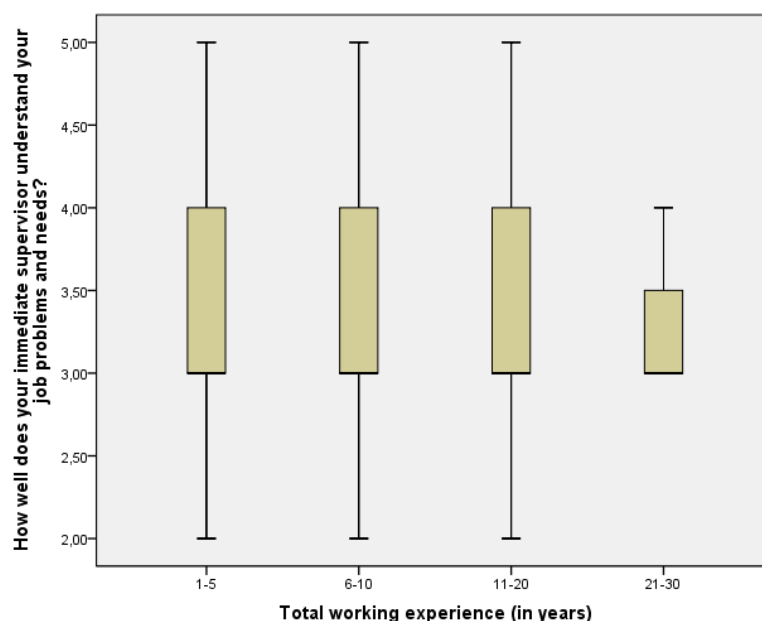
respondents also give this assessment. If we look at the assessment of the managers' understanding of their own problems in relation to the level of education, the highest average score is given by the respondents of the level of education High school 3.52, with Median 3.5 and Skewness 0.081, i.e. the variable does not show asymmetry, then the respondents of the level of education Bachelor Degree 3.45, Skewness is 0.562, that is, the variable shows a strong positive asymmetry, while the lowest average score given by respondents with the degree of Master of Science is 3.33, where Skewness is 0.196, i.e. the variable shows a small positive asymmetry. The 1.5IQR interval for all respondent groups ranges from 2 to 5. For all respondent groups, Q_1 is 3, while Q_3 is 4.



Graph 2: Assessment of the managers' understanding of the problem in relation to the level of education

Source: Authors (2023), Results of primary research

Respondents with the total working experience of 10-20 years give the highest average score for understanding the problem by managers, while respondents with the total working experience of 21-30 years give the lowest average score and for this group of respondents the 1.5IQR interval ranges from 3 to 4. For all groups respondents' Q_1 is 3, and Q_3 is 4, except for the group of respondents Total working experience of 21-30, for which Q_3 is 3.5.

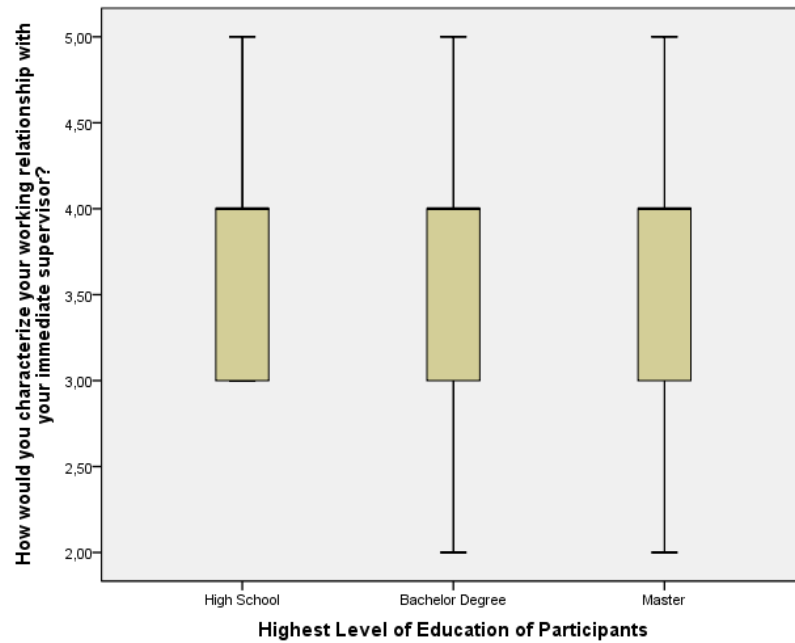


Graph 3: Assessment of the manager's understanding of the problem in relation to Total working experience

Source: Authors (2023), Results of primary research

The Kruskal Wallis Test did not reveal a statistically significant difference in the evaluation of the managers' understanding of their own problems in relation to the four groups of respondents Total working experience ($p=0.339$), in relation to the three groups of respondents Level of Education ($p=0.635$), as well as in relation to three groups of respondents Age Category ($p=0.312$). The Mann-Whitney U test did not reveal a statistically significant difference in the evaluation of the managers' understanding of their own problems for Male and Female ($p=0.886$).

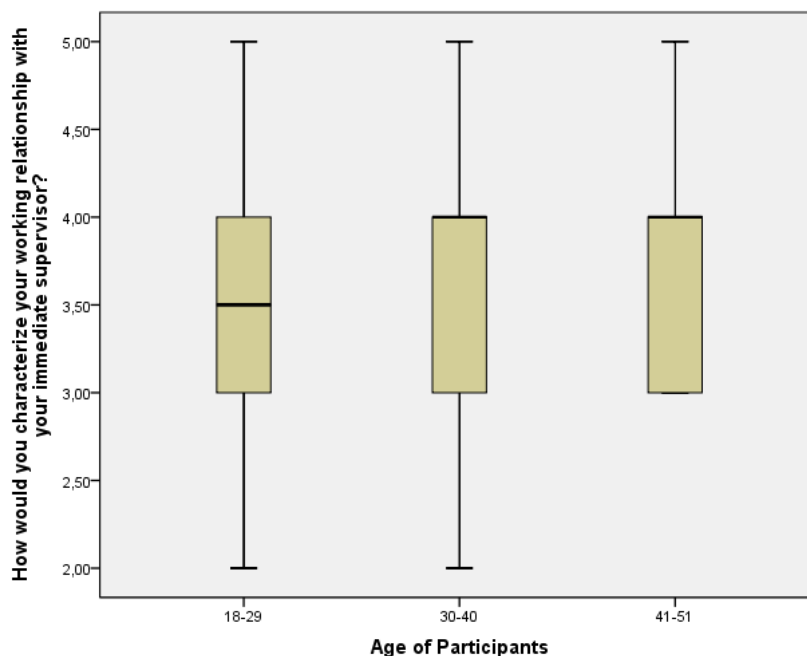
The evaluation of the relationship with the immediate manager was rated by the respondents with an average score of 3.61, the median score is 4, which practically means that 50% of respondents gave a score of 5. The variable shows relatively low variability (coefficient of variation is 19%), and a small positive asymmetry (Skewness=0.222). Male and Female gave almost identical average scores, but for the group of respondents Female the variable showed no asymmetry (Skewness=0.014), while for the group of respondents Male it showed moderate positive asymmetry (Skewness=0.369). The 1.5IQR interval for both groups of respondents was from 2 to 5. If we look at the average relationship with the immediate manager, all three groups of respondents gave a similar average score of around 3.6. For the Level of Education High School group of respondents the 1.5IQR interval ranged from 3 to 5. For all three groups of respondents, Q_1 is 3, and Q_3 is 4.



Graph 4: Assessment of the relationship with the direct manager in relation to the Level of Education

Source: Authors (2023), Results of primary research

Respondents in the Age Category 41-51 gave a slightly higher average rating for the evaluation of the relationship with the direct manager. For this group of respondents, the 1.5IQR interval ranged from 3 to 5. The median is the smallest for the group of respondents aged 18-29. For all three groups of respondents, Q_1 is 3, and Q_3 is 4.



Graph 5: Assessment of the relationship with the direct manager in relation to Age Category

Source: Authors (2023), Results of primary research

It is interesting to note that respondents with Total working experience 21-30 years gave the lowest average score for evaluating the relationship with the direct manager. The median for this group of respondents is 3.5 and the variable is symmetrical, while for the other groups of respondents the median is 4.

The Kruskal Wallis Test did not reveal a statistically significant difference in the evaluation of the relationship with the immediate manager in relation to the four groups of respondents. Total working experience ($p=0.622$), in relation to the three groups of respondents Level of Education ($p=0.795$), as well as in relation to the three groups of respondents Age Category ($p=0.686$). The Mann-Whitney U test did not reveal a statistically significant difference in the evaluation of the understanding of the relationship with the direct supervisor for Males and Females ($p=0.696$).

In Table 2, we can see that there is a weak linear relationship between the observed variables: How well does your immediate supervisor understand your job problems and needs and how would you characterize your working relationship with your immediate supervisor ($r=0.336$).

Table 2: Correlations

	Mean	Std. Deviation	1	2
1. How well does your immediate supervisor understand your job problems and needs?	3.45	0.804	-	
2. How would you characterize your working relationship with your immediate supervisor?	3.61	0.692	,336*	-

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Authors (2023), Results of primary research

Conclusion

If there are communication disorders and barriers, then it creates a kind of employee resentment toward the organization and of leadership, and results in a decline in motivation and reduced performance. In order to overcome this kind of problem, it is necessary to define models of communication that could be implemented in the current situation. These are the two ways: a) through information transparency and b) two-way communication. Through the transparency of information, employees need to become familiar with all organizational plans and activities, and they must be acceptable and understandable to all stakeholders in the organization. According to Rawlins [14], organizational transparency in communication is the driving force behind establishing a long-term system of values and building trust. This system creates complete confidence in the organization among employees in the sense that it will work in the best interests of all, and that employees only need to concentrate solely on the maximum execution of their work duties.

Rawlins [15] concluded that the most important thing in a transparent communication process is to pay attention to the needs of the recipient, rather than to the one who sends the message, because it is essential that the organization knows what information is relevant to employees, and because the effectiveness and success of transparent communication are measured exclusively by the recipients of information. In this way, management receives feedback if they forward the sufficient quantity of information, as well as understanding whether the employees are satisfied with the overall transparency of the organization. Transparency in communication is one of the pillars of sustainable organizational culture and mutual trust. For the organization to be regarded as transparent, it means that it is accountable for its promises, actions and words. Only in this way will it be able to expect the full support and confidence of employees.

On the other hand, Men and Stacks [2] highlight that the goal of a two-way model is to identify how the management and employees may be open to exchange views, ideas and come to the mutual solutions for any problems. In this type of communication, symmetry should be a relationship of trust, openness, establishing feedback, constructive debate and relevance. This communication model is used in order to involve employees in making proposals and making decisions, as well as the active participation of all internal factors in creating organizational cultures. By the establishment of such a model the organization wants to fully restore and build effective internal communication at all levels and to move closer to the attitudes and thinking of employees. Through two-way communication processes, leadership shows that they care about the opinion of employees on how to improve general business. This kind of communication has its own long-term positive effects, such as the creation of loyalty, increased performance, bonding and identification of employees with the organization.

The results of this research show that employees better evaluate their relationship with their immediate supervisor than their immediate supervisor's understanding of their own problems. Older respondents have a better relationship with their direct managers. Respondents who have a total working experience of 21-30 years rate the relationship with their direct manager somewhat worse.

The results carry both theoretical and practical implications, emphasizing the significance of recognizing and understanding the determinants that impact the quality of internal communication. This understanding is crucial for establishing a stable and enduring organizational system over the long term.

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