

УДК 005.95: 65.011.8

M. Angelova, PhD, University of National and World Economy, Sofia, Bulgaria

## METHODOLOGY FOR INTERNAL COMMUNICATION DURING CHANGE MANAGEMENT PROCESS

*The paper presents a communication methodology applied during change management process. The information needs vary during different phases of change – employees have to be constantly persuaded on the necessity of change in order to ensure their support. The author explores the key role of communication and its main goals to support organizational change. The proposed methodology is developed on the Adizes life cycle theory model and introduces how to establish and develop effectively communication system to gain people confidence and to build trust for change. Key role in change process plays internal communication in order not only to inform all employees about changes, but to build trust and gain confidence. As a result of effective internal communication the resistance to change should be overcome and limited. The paper presents an attempt to establish effective methodology for usage of internal communication channels and tools during change process. Different communication channels and tools are developed with their strengths and weaknesses for the internal communication in organization. To have successful organizational change the management should focus attention not only to change process. The attitude of employees to change is just as important as the change itself. One of the most secure way to have internal organizational support is through implementation of the effective communication strategy that involves all employees regardless their position, expertise and role. The effective internal communication is the key element during change process and the managerial efforts should also be directed to ensure employees support.*

**Keywords:** Change Management, Communication System, Adizes life cycle model.

**General target setting and its relation to important scientific and practical tasks.** Communication and Information in Today's world are essential, basic for everyone organizational process. Access to information can be absolutely reasonable accepted as a human right that is guaranteed by every Constitution in a modern democracy. Through Internet and Social Media people are accustomed to receive information with one rapid click. On the other side exactly this information is the base of change both in personnel and professional life. The lack of information and unwillingness of two-way communication from the organizational management can be considered as an origin of problems for ineffective change management process. This is the reason that communication and information become key factors for change success and organization management should approach methodologically in order to have intended results.

**The analysis of recent studies and publications, which initiated the solution of the given problem and upon which the author relies; accentuation on previously unsolved aspects of**

**the general problem, which the given article is devoted to.** Scientific literature is relatively rich of researches dedicated to the various subjects on Change Management. Some scientists pay attention on the effective leadership in change process (Wadood, Gharleghi, Samadi, 2016). They understand that implementing changes in the management of the enterprise, various kinds of leaderships like transformational, cross-cultural and development are needed. However, incompetent strategies can be the cause for inept execution of change. Inefficient management can be a reason behind miscarried change implementations. Other researchers (Martinsuo, Hoverfält, 2017) analyze the patterns of previous empirical studies on change program management and their theoretical foundations in order to identify and summarize proposals to guide forthcoming program management research. Their results reveal three main themes of ongoing research: managing over the change program lifecycle, managing programs in their context, and program managers' capabilities. Voet (Voet, 2014) examines «to what extent different change approaches and transformational

leadership of direct supervisors contribute to the effective implementation of organizational change in public organizations, and to what extent the bureaucratic structure of public organizations makes the implementation of organizational change specific». He conducts a quantitative study involving 580 employees from the Dutch public organization Urban Development Rotterdam. The results indicate that «the transformational leadership behavior of direct supervisors contributes little to planned processes of change.» Voet concludes that transformational leadership is crucial in emergent processes of change, but only in a non-bureaucratic context. Team of scientists from Finland (Butt, Naaranoja, Savolainen, 2016) explores the role of communication with stakeholders during project implementation. According to the conclusions from their research, «an effective communication ensures stakeholder participation in the change management processes through teamwork and empowerment, whereas lacking communication routines lead to a rational and straightforward project culture where task performance and efficiency are preferred over stakeholder involvement.» Two researchers from Czech Republic (Král, Králová, 2016) examine different approaches to change organizational structure as «probably the most apparent indicator and clear evidence of organizational change». On the base of research they find that implemented communication tools during change defer from the size of the enterprise, the type of change as well as organizational culture, practice and previous experience. German author (Lies, 2012) pay attention on the internal communication as power management in change processes. He describes change communication as «the single part of change management, which focuses on the soft factors that are activated through the change of hard factors. With the management of soft factors the aim is to make a contribution to the enforcement of change goals, i.e. to secure or to regain the management's power.» International scientific team (Vercica, Vercic, Sriramesh, 2012) has conducted Delphi study in order to find out the role of internal communication for organizations. The research was among the leaders of European associations on internal communication. According to the achieved results from survey, authors claim that respondents see internal communication as «interdisciplinary management function integrating elements of human

resources management, communication and marketing, but at the same time they see it primarily as a part of the organization's communication function that is simultaneously managerial and technical.» English researchers (Ruck, Welch, 2012) explore the effectiveness of the different internal communication channels and communication tools for organization and try to evaluate this effectiveness from both managerial and employees' point of view. For this purpose they review 12 assessment studies (published during the period 2004-2010) in the field of internal organizational communication. Their finding are as follows: «satisfaction with organisational information ranges from 53% to 64%. As a basic employee requirement, this indicates there is still much to be done for employees to feel that they are well informed. In terms of understanding the business strategy, values and goals, 60% of employees understand where the organisation is headed, though this is undermined by senior manager clarity (48%) and minimal senior management involvement in telling the story (54%). Most concerning is the very low (30%) level of consistency in behaviour to match values. At an individual level, 30% of employees do not have any discussion about performance at all, job information satisfaction is around 67%, and personal feedback satisfaction ranges from 48% to 58%.» Welch (2012) continues to focus on the employee perspectives and attitudes to the internal communication. She emphasizes that «internal communication underpins organizational effectiveness since it contributes to positive internal relationships by enabling communication between senior managers and employees.» On the other hand, she points out the key role that ineffective internal communication can become as a trait of the organizational culture and relationships due to the weak communicational and managerial efforts, because as Welch said «poor internal communication can be counter-productive» (2012). Sweden scientific team (Falkheimer & all, 2017) investigates how organizations value the communication. They involve for the aim of the research 11 different organizations based upon empirical data from a quantitative survey in order to understand the perceived value of strategic communication and communication professionals, mainly among managers and co-workers. The results shows that «the self-identity of communication

professionals and the normative model of strategic public relations partly mirror and partly collide with the perceptions of managers and coworkers. The study confirms that managers and coworkers find communication crucial for their organizations at a strategic level, but that the role of communication professionals is rather unclear.

A majority of the respondents do not understand the core role or roles of communication professionals.» (Falkheimer & all, 2017). Bulgarian researchers also contribute to the international scientific discussion exploring different field of organization change (Alexandrova, 2004; Anguelov & Stoyanov, 2012; Kuzmanova, 2012, 2016; Stoyanov, 2013; Stoyanova, 2012).

**Setting objectives.** The main objective of the present paper is to develop effective methodology for internal communication during the process of organizational change. Communication could become a real factor for building trust for change and as well as for the managerial decisions and on the other hand – to overcome resistance to change.

**Presentation of the main research material with complete justification of the obtained results.** Communication from the management point of view could be consider as a concomitant process, but in Change Management its role increases drastically due to the further specific functions and results that have to be achieved in help with communication. Main goals for communication can be summarized as follows:

- to inform all employees on the planned reforms
- to convince employees about necessity of planned change
- to secure two-ways communication between employees and management levels during the hall change process
- to avoid resistance to change
- to overcome distrust and to break rumors
- to change attitudes and behavior
- to build trust and confidence in employees about change

According to these objectives the organization management should consider internal communication as leading management process during change. Based on the fact, confirmed by the various researches, that more than 70% of changes are unsuccessful and ineffective implemented, we could boldly claim that the main reason of this high

failure rate is due to the direct underestimation or inappropriate communication strategy. Of course when we speak about destructive change (which includes organizational structure reforms with jobs cutting and drastic prequalification for the major part of employees) the effective communication could only partly mitigate the negative results but it is impossible to overcome the resistance.

However the effective change implementation requires strong attention to the communication strategy during the entire period of change. Undoubtedly effective internal communication depends on the previous organizational change experience, organizational culture and traditions in usage different communication channels and communication tools.

If our main communication goal is to inform employees about planned changes we have to rely on the traditional internal channels first in order to reduce stress level and then to include new or special communication channels and tools.

Ruck and Welch (2012) present in their research the effectiveness of different channels and tools and the context of its usage (Table 1).

In addition to this information Al-Ghamdi, Roy and Ahmed (2007) has conducted a survey among 187 employees of one company and according to the responders` answers they rate the preferred internal channels to communicate organization strategy. The channels in order of preference are as follows:

- 1.Plant Manager meetings.
- 2.Group meetings conducted by employee's immediate supervisor.
- 3.Employees' immediate supervisor.
- 4.Information placed on bulletin boards, posters, and signs in the plant.
- 5.E-mail.

It is obvious from the top 5 priority channels that employees prefer all forms of direct communication (ranged at top 3 places). This is reasonable, because direct communication shows the management commitment and attitude towards the co-workers in the organization. In order to make the present analysis precise, we will look in depth main internal communication channels and tools with their strengths and weaknesses (Table 2).

Methodology for effective communication in change process according to the Adizes organizational life cycle model.

**Table 1. The Effectiveness of different Communication Channels and Tools**

Source: Ruck and Welch (2012)

N	Communication Channels and Communication Tools	Context of usage
1.	Social media	less than half of respondents are using this channel; <b>Understanding the business</b> – 60% effectiveness
2.	Electronic communication (e-mails)	Substantial increase in use; <b>Organisational performance and financial objectives</b> – 56% effectiveness
3.	Face to face communication	Significant increase in use <b>Rewards</b> (health care, bonus, pension, pay) – 45% effectiveness
4.	Printed materials	Increase in use in some areas but significant decline in other areas <b>Actions affecting customer</b> – 45% effectiveness
5.	Newsletters and e-mails	68.8 per cent of leaders use online newsletters and companywide emails to get messages out to their staff.
6.	Online video	was rated as the most popular «social media» tool (52.6%). Others highlighted were: blogs (51.9%) instant messaging (47%) and social networks, including Twitter, Facebook and Yammer (37.6%)

**Table 2. Internal Communication Channel and Tools: Straights and Weaknesses**

N	Communication channel&Tool	Straights	Weaknesses	Appropriate for
1.	Intranet	Provides information accurately on time; Accessible to almost everyone (excluding technical staff); Opportunity to prioritize and rage information according to the management view; On-line access to equal information	Indirect communication Little or no opportunity for two-ways communication Provide information mainly hierarchically	Medium and Big sized companies
2.	E-mail	Provides information accurately on time for one specific subject; Accessible to almost everyone; Opportunity to express a personnel opinion	Indirect communication; The feedback is not necessary to be accessible to everyone (lack of equality); Risk of losing the focus in case when the discussion grows	All types of organizations
3.	E-bulletin	Provides information accurately on time about the vision of the managers; Accessible to almost everyone	Indirect communication; Lack of feedback	Medium and Big sized companies
4.	Regular meetings with direct manager	Direct communication Opportunity to express a personnel opinion and to start discussion	Great dependence on the personnel skills of the direct manager, including as a mediator between employees and top manager	All types of organizations
5.	Social media (Facebook, Twitter, Yammer)	Provides information accurately on time; Opportunity to start on-line discussion Opportunity to form different groups on the employees` interest to the subject	Indirect communication	All types of organizations

Continue tabl. 2

N	Communication channel&Tool	Straights	Weaknesses	Appropriate for
6.	Regular meetings between top management level and middle management	Direct communication Opportunity to present discussed issues through the specific view of the middle management	Depends on the personnel skills of the top-manager, including as a moderator	All types of organizations
7.	Regular meetings between top management and employees	Direct communication Opportunity to express a personnel opinion and to start discussion	Strong depending on the management style – there is a possibility these meetings to become assembly only for speeches and statements of the top manager	Small organizations
8.	Printed special materials (leaflets, brochures, posters etc.)	Focus on one specific and major subject No possibility to misunderstanding and misinterpretation	Indirect communication; Requires financial resources; Lack of feedback	Medium and Big sized companies
9.	Newspaper	Provides information about the vision of the managers; Accessible to almost everyone No possibility to misunderstanding and misinterpretation	Indirect communication; Requires financial resources; Lack of feedback	Medium and Big sized companies
10.	Informal communication (for instance in teambuilding, lunch, company`s party etc.)	Direct communication; Possibility to view clear reaction and opinion (without censures) of the employees	Possibility to misunderstanding and misinterpretation	All types of organizations

Adizes organizational life cycle model includes 10 stages resembling the development of human organism. He focuses on the different management styles, but we will consider these phases from the internal communications needs.

#### 1. First phase: Courtship

According to Adizes, on this stage the organization is only as an idea in the owner`s mind and perceptions. The actual founding of the company depends on the enthusiasm and commitment of the founder. This stage is directly connected to the fear, uncertainty and risk of the future activities, especially when it comes to financial resources. On the communication point of view, the main goal here is to ensure friendly environment in a way that entrepreneur should keep his idea and spirit in a high level. Figuratively speaking, at this stage as far we can speak about «internal organizational» communication, we have to consider such formed through the closest friends and family circle. The most appropriate

communication channels and tools here are all forms of direct communication that provide possibility for discussion and convincing communication.

#### 2. Second phase: Infancy

The stage on which the company is established according to the national legislation and the financial risk has been shared with the investors. The infancy is unstable and is characterized with many mistakes made by both employees and managers (so called errors of youth). However the main driving force for all levels continue to be enthusiasm and innovation, e.g. new opportunities for career development of employees. In order to avoid negative practice the communication on this phase should continue to be mainly direct. This is absolutely possible in practice, because on this phase organizational staff is relatively small. Thereby the initial solidarity of the team has the potential to become a norm, an organizational culture, which will be great benefit for the next stages of the organizational development.

### 3. Third phase: Go-Go

On this stage the company has successful product or service at the market recognized by customers. This is the phase that the incomes are straightforward growing and this is the reason that makes entrepreneur to feel without any limitations. Here, according to Adizes, in order to avoid risks, is very important for founder to stay focused on its initial idea and to invest time and also financial resources to its development in all possible way. This fast growth reflects to the quality of work of the employees – they are frustrated and confused about responsibilities and tasks whereas new employees are with inappropriate qualification, without enough experience. This stage, from communication point of view is probably the most difficult in order to implement effective change process. Here we have several parallel major tasks to solve through communication – relationships between «new» and «old» employees, top and middle managers, middle managers and employees and last but not least – focus on the customers` satisfaction. Here the communication mix with main internal channels should be involved in order to secure effective change and to avoid all possible mistakes. The active part of this stage should play middle managers – they are mediators between top management and employees and their communication role on this stage is really important. The accent again is on direct communication – both with employees and with top manager, but supported with all internal channels, preferably with e-communication as a way of receiving proper information at right time and again – to have enough possibilities for feedback.

### 4. Fourth Phase: Adolescence

Adizes says that during the Adolescence stage «organization is reborn» and this second birth is connected with emotional period with break with its founder. This phase is characterized by conflicts of the team – everyone is suspicious, unhappy and unsatisfied. These feelings are further straighten by the decreasing sells and poor quality of the service or product. As the misunderstanding and negative reactions are expanding at this stage, so much the need of adequate two-ways communication is exacerbated by the inclusion of new as well as non-traditional communication channels. Here comes the role of informal communication, initiated by the middle managers, different training programmes e.g. teambuilding and trust building exercises. Direct

communication still is recommended, especially between middle managers and employees and middle and top manager.

### 5. Fifth Phase: Prime

At this stage organization achieves for the first time of its development sustainability in terms of balancing between control and flexibility. The working process are institutionalized and all employees are content, well aware of their responsibilities and duties. Reaching this phase means that management has acted adequate as well as actively and know is the right moment to develop achieved results. Here the including of communicational tools such as e-bulletin or newspaper will support the process of sustainability simply as an additional sign of organization progress. All printed materials (posters, leaflets, brochures etc.) also will help to confirm results and to build employees` confidence.

### 6. Sixth Phase: The Fall

Adizes underlines that although the position of this phase is on the top of the curve, this is not exactly the right place, because at this stage organization begins to lose its flexibility and starts to age. This is stable period in terms of financial results and employees also feel stable at the company. They turn on the good experience in the past and innovative idea or striving for change are rather sporadic elements than common practice. At this stage from communication view we can point out the powerful potential of the social media as an inspirer of new idea or as a possibility to build friendly environment for discussion, prepositions and on this base – innovations.

### 7. Seventh phase: Aristocracy

At this stage the aging deepens with all its symptoms – «change» is a synonym of «revolution», because major part of employees and also managers are focused on the past. To avoid the trap of this stage, the communication efforts here should be directed to the generating new ideas and one of the possible way to collect is the direct communication with new employees who are not burden with the past organization experience. The generation of new ideas is not enough – they should be put into practice and here the resistance could be really strong and in all possible levels. Again the potential of social media should be used especially when enterprise is medium or big sized.

### 8. Eight Phase: Recrimination

At this stage the conflicts are on the organization agenda on everyday base. As Adizes says «people focus on who caused the problems rather than on what to do about the problems». The successful end of this situation seems like a chimera, especially everyone is committed to blame colleagues and managers. Here all communication efforts are doomed to failure. Still we have several steps that we can take with different variability of success. Relying on the fact that the fear of losing job is stronger than the personnel conflicts, the last ones could be overcome. When we speak about conflicts, the only possible way to get over is in help with direct communication, no matter how long it will take us these efforts.

#### 9. Ninth Phase: Bureaucracy

Here the company is artificially kept alive (in help with state financial aid for instance). Unfortunately the potential of the communication at this stage is really limited. The main communication goal at this moment should be focus on the way how to restrict negative consequences of the organization future end. One of the possible way is with the top management statement distributed to all employees. The message of this statement should have accent on the social perspectives of employees, job

recommendation and gratitude for sharing common experience.

#### 10. Tenth Phase: Death

The actual breakdown of the organization. From communication point of view the last effort could be special event dedicated to farewell (e-mail, party etc.). In most cases this phase is period of hopelessness and bitterness. The farewell event is the civilized way to express again personnel gratitude to all employees.

#### **Conclusions of the presented study and prospects for the further research in this field.**

Change nowadays is a synonym of progress, flexibility, and way to secure competitive advantage. Enterprises are forced by the unsecure environment to implement different reforms to keep or expand market positions. Key role in change process plays internal communication in order not only to inform all employees about changes, but to build trust and gain confidence. As a result of effective internal communication the resistance to change should be overcome and limited. The paper presents an attempt to establish effective methodology for usage of internal communication channels and tools during change process.

#### **References**

1. Adizes, I., (1979) *Organizational passages—Diagnosing and treating lifecycle problems of organizations*, Organizational Dynamics Volume 8, Issue 1, Summer 1979, Pages 3-25
2. Al-Ghamdi, S., Roy, M., & Ahmed, Z. (2007), *How employees learn about corporate strategy: An empirical analysis of a Saudi manufacturing company*. Cross Cultural Management: An International Journal, 14(4), 273–285.
3. Alexandrova, M. (2004), *Entrepreneurship in a transition economy: The impact of environment on entrepreneurial orientation*, Problems and Perspectives in Management, Volume 2, Issue 2, 140-148.
4. Anguelov, K., Stoyanov, I. (2012), *Information and Communication Systems and their Impact on Organizational Change*, KSI Transactions on Knowledge Society, Volume 5, Issue 3, September 2012, 17-19.
5. Butt, A., Naaranoja, M., Savolainen, J. (2016), *Project change stakeholder communication*, International Journal of Project Management, 34 (2016), 1579 – 1595.
6. Falkheimer, J., Heide M., Nothhaft, H., Platen, S., Simonsson, C., Andersson, R., (2017) *Is Strategic Communication too important to be left to Communication Professionals? Managers' and coworkers' attitudes towards strategic communication and communication professionals*, Public Relations Review 43 (2017) 91–101.
7. Král, P., Králová, V. (2016), *Approaches to changing organizational structure: The effect of drivers and communication*, Journal of Business Research, 69 (2016), 5169 – 5174.
8. Kuzmanova, M. (2012), *Creation of Organizational Competencies for Change*, Scientific Journal of the Series of Scientific Journal of RTU, 107-111.
9. Kuzmanova, M. (2016), *Contemporary problems related to Crisis Management of Organizations*, Trakia Journal of Sciences, Volume 14, Issue 3, 257.
10. Lies, J. (2012), *Internal communication as power management in change processes: Study on the possibilities and the reality of change communications*, Public Relations Review, Volume 38, Issue 2, June 2012, Pages 255–261.

11. Lindell, M. (1991), *How managers should change their style in a business life cycle*, European Management Journal Volume 9, Issue 3, September 1991, Pages 271-279
12. Martinsuo, M., Hoverfält, P. (2017). *Change program management: Toward a capability for managing value-oriented, integrated multi-project change in its context*, International Journal of Project Management, <http://dx.doi.org/10.1016/j.ijproman.2017.04.018>.
13. Nazzari, S., Foroughi, H. (2007), *Organization's Changes Through its Lifecycle; A System Dynamics Approach*. System Dynamics Society conference.
14. Ruck, K., Welch, M. (2012) *Valuing internal communication; management and employee perspectives*, Public Relations Review 38 (2012) 294– 302.
15. Stoyanov, I. (2013), *Information technology and managing organizational change*, KSI Transactions on Knowledge Society, Issue 6, 10-13.
16. Stoyanova, T. (2012), *Intelligent growth – an untapped opportunity for Bulgarian business organizations*, Proceedings of International Conference on Application of Information and Communication Technology and Statistics in Economy and Education (ICAICTSEE), 526-538.
17. Vercica, A. T., Vercic, D., Sriramesh, K. (2012), *Internal communication: Definition, parameters, and the future*, Public Relations Review 38 (2012) 223– 230.
18. Voet, J. (2014), *The effectiveness and specificity of change management in a public organization: Transformational leadership and a bureaucratic organizational structure*, European Management Journal, 32 (2014), 373 – 382.
19. Wadood, S., Gharleghi, B., Samadi B. (2016), *Influence of Change in Management in Technological Enterprises*, Fifth International Conference on Marketing and Retailing (5th INCOMaR) 2015, Procedia Economics and Finance 37 ( 2016 ) 129 – 136.
20. Welch, M. (2012), *Appropriateness and acceptability: Employee perspectives of internal Communication*, Public Relations Review 38 (2012) 246– 254.

**М. Ангелова, к.е.н.,** Університет національної та світової економіки, Софія, Болгарія

#### **Методологія внутрішнього зв'язку в процесі управління змінами**

У роботі представлена методика спілкування, застосована під час процесу управління змінами. Інформаційні потреби мають бути різними протягом різних фаз змін - працівники повинні постійно переконуватись у необхідності змін, щоб забезпечити їхню підтримку. Автор досліджує ключову роль комунікації та її основних цілей для підтримки організаційних змін. Запропонована методологія розроблена на основі моделі теорії життєвого циклу Адізеса та вказує, як ефективно встановлювати та ефективно розвивати систему комунікації, щоб зміцнити довіру людей та зміцнити довіру. Ключова роль у процесі зміни відіграє внутрішню комунікацію, щоб не лише інформувати всіх працівників про зміни, а й зміцнювати довіру та довіру. Внаслідок ефективного внутрішнього спілкування опір змін має бути подоланий та обмежений. В роботі розглядається спроба встановити ефективну методологію використання внутрішніх каналів зв'язку та інструментів під час процесу зміни. Розробляються різні канали та інструменти зв'язку з їхніми прямими та слабкими сторонами для внутрішнього спілкування в організації. Щоб мати успішні організаційні зміни, менеджмент повинен зосередити увагу не тільки на процесі зміни. Ставлення працівників до змін є настільки ж важливим, як і сама зміна. Одним із найбільш безпечних способів внутрішньої організаційної підтримки є впровадження ефективної комунікаційної стратегії, яка охоплює всіх працівників, незалежно від їхньої позиції, досвіду та ролі. Ефективна внутрішня комунікація є ключовим елементом під час процесу змін, а управлінські зусилля повинні також спрямовуватися на забезпечення підтримки працівників.

**Ключові слова:** управління змінами, система зв'язку, адаптація моделі життєвого циклу Адізеса.

*Стаття надійшла до редакції 4.07.2016*