The Use of Communication in Organizations Undergoing Change

Case studies of Minelco and SGT AB

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We hope that this thesis will be interesting and useful reading material for other students, researchers, and people interested in getting a better insight in the research area.

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ABSTRACT

In today’s turbulent environment of organizations, change has become synonymous with standard business practices, as long-term organizational ends have to be reformulated on an ongoing basis. Irrespective of the size or type of firm or organization, the case for considering whether change is necessary has never been stronger; and all the indications are that this factor is going to be of quite crucial importance for the future if an organization is to survive and remain competitive. Doing business and managing change make effective communication a critical success factor needed to create a common understanding of what the organization is trying to achieve in the marketplace. Effective communication is therefore regarded as highly important in the successful implementation of change, because it is used as a tool for announcing, explaining or preparing people for change and preparing people involved for the positive and negative effects of the impending change. Leaders and managers must be prepared to “walk the talk”.

The purpose of this study is to gain a better understanding of the use of communication within an organization undergoing change. Our research explores, describes and tries to explain how the communication, including the internal- and external communication, is used within organizations undergoing change. We have conducted case studies of Minelco and Svensk Gruvteknik AB, based on one face-to-face interview with each company.

Our main findings concerning communication, including internal- and external communication are that companies use several mediums when communicating to increase people’s memory of the message. Good internal communication does not mean that all in the organization understand the need for the change. The use of a specific communication strategy does not necessarily need to be used, and the use of various types of communication mediums depend on the size of the organizations. Additionally, it is important for a company to match its internal processes with its external environment, and resources put on communication do not necessarily need to be costly in terms of money. Finally, implications for managers, theory, and future research are provided.
SAMMANFATTNING

I dagens turbulenta organisationsmiljö har organisationsförändring blivit en stor och viktig del när det kommer till företags överlevnad. Oberoende av storlek eller typ av organisationer, har det aldrig funnits starkare motiv till att genomföra erforderliga organisationsförändringar än vad det gör nu. Indikationer tyder på att detta är någonting som kommer att bli en nödvändighet i framtiden för att en organisation skall överleva, såväl som fortsätta att vara konkurrenskraftig. Att göra affärer, och samtidigt klara av att genomföra en organisationsförändring, resulterar i att kommunikationen på sikt är ett av de allra viktigaste elementen bakom framgång, och behövs även för att skapa en allmän förståelse om vad företaget eller organisationen försöker uppnå på sin respektive marknad. Effektiv kommunikation anses därför vara ett väldigt viktigt redskap för att klara av att genomföra en lyckad förändring. Kommunikation fungerar som ett verktyg för att meddela och offentliggöra, förklara, samt förbereda inblandade personer om positiva och eventuella negativa effekter av den överhängande förändringen. Ledare måste vara förberedda att ”leda praten”.


# TABLE OF CONTENTS

1 INTRODUCTION .................................................................................................................. 1
  1.1 BACKGROUND .................................................................................................................. 1
    1.1.1 Organizational Change .............................................................................................. 1
    1.1.2 Organizational Change Process and Key Success Factors ........................................... 2
    1.1.3 Successful Organizational Change ............................................................................ 2
    1.1.4 Organizational Barriers to Change .......................................................................... 3
  1.2 PROBLEM DISCUSSION .................................................................................................... 3
    1.2.1 Using Communication to Manage Organizational Change ........................................ 3
    1.3 PURPOSE AND RESEARCH QUESTIONS .................................................................... 5
  1.4 DEMARCATIONS ............................................................................................................. 5
  1.5 OUTLINE OF THE STUDY ............................................................................................... 5

2 LITERATURE REVIEW ......................................................................................................... 6
  2.1 ORGANIZATIONAL CHANGE .......................................................................................... 6
    2.1.1 External and Internal Forces ..................................................................................... 7
    2.1.2 Planned and Emergent Approach to Change ............................................................. 7
    2.1.3 Change Process ........................................................................................................ 8
  2.2 THE USE OF COMMUNICATION ..................................................................................... 9
    2.2.1 Organizational Communication .............................................................................. 9
    2.2.2 Organizational Change and a Communication Strategy .......................................... 11
  2.3 INTERNAL COMMUNICATION ...................................................................................... 13
    2.3.1 The Use of Internal Communication ...................................................................... 13
    2.3.2 Effective Internal Communication ......................................................................... 15
    2.3.3 Management and Internal Communication ............................................................. 17
    2.3.4 Employees and Internal Communication ................................................................. 18
    2.3.5 Communication Model ........................................................................................... 21
  2.4 EXTERNAL COMMUNICATION ....................................................................................... 23
    2.4.1 External Communication and Change ..................................................................... 23
    2.4.2 Communication to Customers ................................................................................ 24
    2.4.3 External Communication in Correlation to Internal Communication ...................... 25
    2.4.4 External Communication Tools .............................................................................. 28
  2.5 THEORETICAL FRAMEWORK ....................................................................................... 29
    2.5.1 The Use of Communication ...................................................................................... 29
    2.5.2 Effective Internal Communication ........................................................................... 30
    2.5.3 Effective External Communication .......................................................................... 32

3 METHODOLOGY .................................................................................................................. 35
  3.1 RESEARCH PURPOSE ................................................................................................... 35
  3.2 RESEARCH APPROACH ................................................................................................ 36
  3.3 RESEARCH STRATEGY .................................................................................................. 37
  3.4 DATA COLLECTION METHOD ...................................................................................... 37
  3.5 SAMPLE SELECTION ..................................................................................................... 39
  3.6 DATA ANALYSIS .......................................................................................................... 40
  3.7 QUALITY STANDARDS ................................................................................................. 42
    3.7.1 Validity .................................................................................................................... 42
    3.7.2 Reliability ............................................................................................................... 43

4 DATA PRESENTATION ......................................................................................................... 45
  4.1 CASE STUDY: MINELCO ............................................................................................... 45
    4.1.1 The Use of Communication ...................................................................................... 47
    4.1.2 Effective Internal Communication ........................................................................... 48
    4.1.3 Effective External Communication ........................................................................... 50
  4.2 CASE STUDY: SGT AB ................................................................................................. 51
    4.2.1 The Use of Communication ...................................................................................... 54
    4.2.2 Effective Internal Communication ........................................................................... 55
    4.2.3 Effective External Communication ........................................................................... 58
# Table of Contents

5 Data Analysis ............................................................................................................................... 60  
5.1 Within-Case Analysis ..................................................................................................................... 60  
5.1.1 Within-Case Analysis of Minelco ................................................................................................. 60  
5.1.2 Within-Case Analysis of SGT AB ................................................................................................. 64  
5.2 Cross-Case Analysis ....................................................................................................................... 68  
5.2.1 The Use of Communication .......................................................................................................... 68  
5.2.2 Effective Internal Communication ............................................................................................... 69  
5.2.3 Effective External Communication ............................................................................................... 72  
6 Conclusions and Implications ....................................................................................................... 74  
6.1 How can the use of communication in an organization undergoing change be described? .................................................................................................................................................. 74  
6.2 How can effective internal communication in an organization undergoing change be described? .................................................................................................................................................. 75  
6.3 How can effective external communication in an organization undergoing change be described? .................................................................................................................................................. 79  
6.4 Implications ........................................................................................................................................ 80  
6.4.1 Implications for Management ...................................................................................................... 80  
6.4.2 Implications for Theory ................................................................................................................ 80  
6.4.3 Implications for Future Research ................................................................................................ 80  
References ............................................................................................................................................ 82  

Appendix A: Interview Guide – English Version  
Appendix B: Intervjuginde – Svensk Version
LIST OF FIGURES AND TABLES

Figure 1.1: Outline of the Thesis ........................................................................................................................... 5
Figure 2.1: Change Process and its Key Success Factors .......................................................................................... 8
Figure 2.2: Unfreezing / Refreezing Model for Change ............................................................................................. 11
Figure 2.3: Strategic Employee Communication Model .......................................................................................... 21
Figure 2.4: Connection between PR and a Company’s Audiences ........................................................................ 29
Figure 2.5: Emerged Conceptual Framework ......................................................................................................... 33
Figure 2.6: Construction of the Theoretical Framework .......................................................................................... 34
Figure 3.1: Schematic Presentation of the Methodology ............................................................................................ 35
Figure 3.2: Visualization of the Methodology Used in this Research ....................................................................... 44
Figure 4.1: The Organization before the Change ...................................................................................................... 46
Figure 4.2: The Organization after the Change ......................................................................................................... 47
Figure 4.3: Organizational Schedule ....................................................................................................................... 51
Figure 4.4: Organization Schedule after the Change ................................................................................................ 54
Figure 4.5: Diagram over Customer Relationships ................................................................................................ 58

Table 2.1: Communication Principles ....................................................................................................................... 9
Table 2.2: Stages of Organizational Change: Objectives and Communication Needs ..................................................... 12
Table 2.3: Model of Organizational Communication ................................................................................................ 17
Table 2.4: Twelve Practical Roles for Internal Communication ................................................................................... 19
Table 3.1: Sources of Evidence: Strengths and Weaknesses ....................................................................................... 38
Table 5.1: Communication Principles ....................................................................................................................... 68
Table 5.2: Stages of Organizational Change ................................................................................................................ 69
Table 5.3: Internal Communication and Organizational Change .................................................................................... 70
Table 5.4: Communication Strategy and Communication Regularity .......................................................................... 70
Table 5.5: Types of Internal Communication ............................................................................................................. 70
Table 5.6: Important Knowledge of Employees ........................................................................................................... 71
Table 5.7: Various Approaches .................................................................................................................................. 71
Table 5.8: Various Approaches to Convey the Vision of the Organizational Change .................................................... 72
Table 5.9: Types of External Communication ............................................................................................................ 72
Table 5.10: Resources put on External Communication ............................................................................................ 73
INTRODUCTION

The first chapter presents a background that emphasizes why managing a change is so important to organizations, especially to those that undergo change of rapid growth to remain competitive. Furthermore, problem discussion considers issues of the importance of communication, followed by a purpose as well as a set of research questions.

1 BACKGROUND

1.1 Organizational Change

In today’s turbulent environment of organizations, change has become synonymous with standard business practices, as long-term organizational ends have to be reformulated on an ongoing basis (Appelbaum, St-Pierre & Glavas, 1998). According to Guimaraes and Armstrong (1998), change is a necessity for business survival and growth. Specifically, business change means the redesigning of business processes, the improvement of the company’s products and/or services, and organizational changes to organizational structure and/or culture deemed necessary for better performance (ibid).

Francesco and Gold (1998) define organizational change as a reconfiguration of components of an organization to increase efficiency and effectiveness. Change can occur at the level of individual, group, or organizational structure. Organizations are systems, and therefore change in one area affects other areas to some extent. However, change in organizational structure influences group and individual change more than changes in individuals and groups affect the organization (Francesco & Gold, 1998).

McNamara (1999) states that the concept of organizational change is in regard to organization-wide change, as opposed to smaller changes such as adding a new person or modifying a program. Examples of organization-wide change might include a change in mission, restructuring operations (e.g., restructuring to self-managed teams, layoffs), new technologies, mergers, major collaborations, “rightsizing”, new programs such as Total Quality Management (TQM) and re-engineering (ibid). Moreover, Smith (2003) defines organizational change as a process through business expansion, strategy deployment, business contraction, new computer system, technology change, merger and acquisitions, re-structure, culture change, and re-engineering. Additionally, also the learning organization represents a systematic method for responding to and channeling effectively the forces of change (Church, Siegal, Javitch, Waclawski & Burke, 1996).

Irrespective of the size or type of organization, the case for considering whether change is necessary has never been stronger; and all the indications are that this factor is going to be of quite crucial importance for the future if an organization is to survive (Muir, 1995). Furthermore, strategic organizational change (SOC) encompasses ongoing initiatives that are directed from the top to the bottom of the organization and has a profound effect on the depth of the change effort. Examples of SOC’s could involve organizational transformations from mass production to lean production, the adoption of advance manufacturing technologies and the implementation of TQM systems (Appelbaum et al., 1998). Church et al. (1996) state that changes in technology, the marketplace, information systems, the global economy, social values, workforce demographics, and the political environment all have a significant effect on the processes, products and services produced, and provoke organizational change. In
addition, transition to a new chief executive can also provoke organization-wide change when his or her new and unique personality pervades the entire organization (McNamara, 1999).

SOC can emanate from two different sources; change can either originate from the external environment or within an organization. Consequently, among the most common and influential forces of organizational change are the emergence of new competitors, innovations in technology, new company leadership, and evolving attitudes towards work. Additionally, directed change is intentional and consciously initiated, managed, and evaluated in relation to organizations’ current and strategic objectives (Appelbaum et al., 1998).

According to Church et al. (1996), the vast majority of improvements initiatives undertaken by organizations, even with the best of intentions, are destined to have little impact. Failure rates such as these can be linked to a number of different factors such as lack of vision and commitment from senior management, limited integration with other systems and processes in the organization, and ill-conceived implementation plans. In other words, while organizational change is a constant experience, knowledge and awareness about many of the critical issues involved in the management of such change is often lacking in those responsible for its progress. Clearly, if organizations are ever to experience a greater level of success in their development efforts, managers and executives need to have a better framework for thinking about change and an understanding of the key issues, which accompany change management (ibid).

1.1.2 Organizational Change Process and Key Success Factors
Despite the fact that most organizations today are undergoing significant change, very little benchmarking of the change process itself has occurred. There is a distinct absence of quantitative methods or techniques to help organizations measure how well they are planning, implementing and sustaining that change (Church et al., 1996). According to Clarke and Manton (1997) a best practice model for change has been developed to help organizations to be more effective in managing the change process. The model provides a practical, experienced-based framework extracted from the actual practice, methods and actions of organizations that have successfully managed change. The model combines key success factors with the change process and forms the basis of the tool. Specifically, the key success factors are commitment, social and cultural issues, communication, tools and methodology and interactions. Moreover, the key success factors receive priority attention because they strongly drive performance and weave through the change process to produce successful change. Conclusively, many companies tend to focus on the change process rather than the key factors of success behind it (Clarke & Manton, 1997).

1.1.3 Successful Organizational Change
Creating and then maintaining organizational success, with the help of the various factors concerned within the changing process, is more problematic today than it was ten years ago. The world has grown increasingly complex, resulting from the greater interdependence among world economies. At the same time, the world has become more dynamic, resulting from the information explosion and worldwide communications. This dynamism and complexity means that organizations cannot remain stable for very long. Rather, constant change on the outside requires constant change on the inside. Success is largely determined by how well organizations adjust all their tangible and intangible properties to keep themselves on track with the surroundings. The older and the larger organization, the greater difficulty in fostering and implementing change (Zeffane, 1996).
Essentially, the organization becomes rigidified. Just as hardening of the arteries sets in with age for individuals, hardening of beliefs and assumptions comes with age and size of the organization. Making matters even worse, if the organization has been successful in the past, its managers may fall into the trap of erroneous extrapolation. This is a very common phenomenon and occurs when managers make the false assumption that what worked in the past will also work in the future (Zeffane, 1996).

1.1.4 Organizational Barriers to Change

According to Post and Altman (1994), there are two basic types of barriers to change: industry barriers which reflect the special and unique features of the business activity in which the firm engages; and organizational barriers that are not unique to environmental problems, but which affect a firm’s capability to deal with any form of change. Industry barriers include technical information, capital costs, and configuration of current operations, competitive pressures and industry regulations. Organizational barriers include factors such as employee attitudes, poor communications, past practice and inadequate top management leadership (ibid).

Muir (1995) states that organizational barriers can be seen as a load since in these days of economic stringency, most changes are perceived as a negative impact on working conditions or as imposing an additional burden of effort. Employees are going to be affected by changes, for example, in terms of overall staff numbers, the way the work is organized say from day work to shift work, the machinery to be used and the actual work content. In other words, reorganization may result in new assignments for the employee. For that reason, to manage change in a good way the key word is consultation and communication. Furthermore, there is often an underlying fear of change and an inherent opposition to it. This is only to be expected given that change often means redundancies and unemployment. At the very least, good consultation and communication with the employees should be concerned with an explanation as to why the present position has come about. It does not make the decisions necessarily more palatable for the people concerned, but it starts a process of understanding, which may lead to solutions designed to ameliorate the situation (ibid).

1.2 PROBLEM DISCUSSION

1.2.1 Using Communication to Manage Organizational Change

Communication, which is one of the key success factors within the change process, covers all the issues associated with internal- and external communication. It includes timing, methods for communication and the content of the message. If the communication is excellent during the change, everyone in the organization at all levels understands the need for change, what the changes are and how it will impact on the business. On the other hand, if the communication is poor, it is only the project team that knows progress being made. In other words, only managers understand the need for change, what the changes are and how it will impact on the business. In order to avoid this, managers need to adapt their communication in their organizations (Clarke & Manton, 1997).

Abraham, Crawford and Fisher (1999) state that effective communication is necessary for all phases of the change process. Communication is needed to clarify the future state in terms that are relevant and concrete for organization participants at all levels. There is a need to ensure that the vision of the change is communicated effectively so that it is eventually translated into the concrete actions of the members of the organization. The creation of vision itself demands communication throughout the whole organization, with significant numbers
of employees at all level being involved in providing feedback and input on early draft of the vision (ibid).

Leaders and managers must be prepared to “walk the talk”; i.e. they must be prepared to act in ways that are congruent with the message contained in the organization’s vision of the change. Research has shown that managers may be eloquent about their vision and values, but if their behavior does not match the rhetoric, people will lose respect for them. Leading by example necessitates leaders becoming role models that emphasize managerial values critical to the change process. Modeling behavior thus provides a powerful symbolic form of communication. However, modeling behavior is only one form of communication necessary for managing a change. Managers need to devise various forms of “cultural communication” which involve intervention through explicit communication, announcements, pronouncements, memos, slogans, as well as through implicit communications such as ceremonies, stories, logos, heroes and metaphors (Abraham et al., 1999).

Effective communication is also mandatory if one is to guide change through the complexities of the transition stage of change. Communication needs to be managed so that at any point in the transition, confusion is avoided through coherent, accurate and honest messages, which use a variety of media, are broad in their coverage and frequent in impact (Abraham et al., 1999).

There are two different types of communication; external versus internal communication. They are both essential and necessary to consider in the changing process. According to Kitchen and Daly (2002), communication is regarded as highly important in the successful implementation of change programs because it is used as a tool for announcing, explaining or preparing people for change and preparing them for the positive and negative effects of the impending change. However, the question of internal communication can also increase understanding of the commitment to change as well as reducing confusion and resistance to it. Kitchen and Daly (2002) go further by stating, “Internal communication is the catalyst if not the key to organizational excellence and effectiveness”.

Over the past two decades a growing number of companies have developed and critically improved their customized approaches to communicating with external stakeholders in the event of an organizational change. However, far too many companies still either do not realize or fail to act upon the fact that effective employee communication is also crucial to managing business crises. The internal crisis communication should be conducted using established communication channels and venues in addition to those that may have been developed to manage specific crisis scenarios. Whichever method of internal change communication a company may choose, the more upfront management is about what is happening, the better-informed and more entrusted employees feel (Kitchen & Daly, 2002).

As the use of communication in organizational change is not sufficiently investigated and may vary by industry, size of the firm, ownership and other factors, we are motivated to contribute by focusing our research on this topic.
1.3 PURPOSE AND RESEARCH QUESTIONS

The purpose of this thesis is to gain a better understanding of the use of communication in an organization undergoing change.

RQ1: How can the use of communication in an organization undergoing change be described?

RQ2: How can effective internal communication in an organization undergoing change be described?

RQ3: How can effective external communication in an organization undergoing change be described?

1.4 DEMARCATIONS

It is beyond the scope of our study to cover all aspects of our research purpose. Due to time limitations and the wide extent of the information available regarding the use of communication in organizations undergoing change, we have narrowed down our research. Hence, this study will be focused on Swedish Business-to-Business companies undergoing organizational change. Further, since external communication is a very wide area, we will limit the external communication to the communication to customers. This is in accordance with the theory by DeWitt (2004), which states that it is especially important to consider external communication when an organization is communicating with its customers.

1.5 OUTLINE OF THE STUDY

This chapter is intended to provide an introduction to our research area, stated previously in section 1.3. The thesis consists of six chapters, and following text gives a brief explanation of each chapter. Chapter one presents a background of the thesis followed by the problem discussion, which will present the research area. This chapter will end up with research question connected to the topic. Chapter two will present the literature and possible theories connected to the research questions. Moreover, chapter three gives a description of the methodology, accordingly how the data was collected to this study. Chapter four will present the empirical data related to the topic. Continuously, the data analysis will be provided in chapter five. Finally, chapter six consists of findings and conclusions, as well as implications derived from our research. The outline of the thesis is shown below in Figure 1.1.

![Figure 1.1: Outline of the Thesis](image)
2 LITERATURE REVIEW

In this chapter, an overview of previous research related to our research questions is presented. Firstly, studies connected to the use of communication within an organization undergoing change will be described. Thereafter, studies relevant to how an organization develops effective internal- and external communication during an organizational change will be presented. Finally, a theoretical framework for this study will be outlined.

Change is a necessity for business survival and growth. Specifically, business change means the redesigning of business processes, the improvement of the company’s products and/or services, and organizational changes to organizational structure and/or culture deemed necessary for better performance (Guimaraes & Armstrong, 1998).

2.1 ORGANIZATIONAL CHANGE

According to McNamara (1999), the concept of organizational change is in regard to organization-wide change. An organization-wide change can be a change in mission, restructuring operations, new technologies, mergers, major collaborations, “rightsizing”, new programs (TQM) or re-engineering. Change is a strategy to accomplish some overall goal. Usually organizational change is provoked by some major outside driving force, such as substantial cuts in funding, address major new markets/clients or need for dramatic increases in productivity/services. Typically, organizations must undertake organization-wide change to evolve to a different level in their life cycle, e.g., going from a highly reactive, entrepreneurial organization to more stable and planned development. Transition to a new chief executive can provoke organization-wide change when his or her new and unique personality pervades the entire organization (ibid).

Organization-wide change can be difficult to accomplish, since there are strong resistances to change. People are afraid of the unknown and do not understand the need for change. Many doubt there are effective means to accomplish major organizational change. Often there are conflicting goals in the organization, for instance, to increase resources to accomplish the change yet concurrently cut costs to remain viable. Organization-wide change often goes against the very values held dear by members in the organization, that is, the change may go against how members believe things should be done. Hence, changes in the organization’s culture are important to consider, including changes in members’ values and beliefs (McNamara, 1999). According to Church et al. (1996), it is important to recognize the contribution of organizational culture, the importance of involvement for building commitment, the need to surface dissatisfaction and articulate a desired future, separating symptoms from root causes, the supportive nature of rewards, and working with complaints rather than ignoring them. Additionally, it is also important to consider areas related to the nature of change and its effect on people in general, e.g. the importance of open communication, allowing people to grieve the loss of the present, working with and through resistance, and harnessing people’s positive energy around change (ibid).

Robbins (1994) states that if it was not for change, the manager’s job would be relatively easy. This is simply because planning would therefore be without problems because tomorrow would be no different from today. Since the environment would be free from uncertainty and there would be no need to adapt and all organizations would be tightly structured. Consequently, it would simplify the manager’s job if, for example, competitors did not
introduce new products or services, if customers did not make new demands, if government regulations were never modified, or if employees’ needs did not change. Therefore, handling change is an integral part of every manager’s job (ibid).

2.1.1 External and Internal Forces

**External Forces**
The various external forces that create the need for change come from different sources. The actual marketplace can be one reasonable deciding factor depending on the competition on the market. Another external force to consider is government laws and regulations, which are frequent impetus for change. Technology also creates the need for change. Developments in technical equipment have created significant economies of scale for some companies. Furthermore, the assembly line in many industries is undergoing dramatic changes as employers replace human labor with technologically advanced machines and robots. The fluctuation in labor markets forces managers to initiate change, as well as economic changes. The economical changes are most often about the level of interest rates (Robbins, 1994). The culmination of these forces has resulted in an external environment that is dynamic, unpredictable, demanding and often devastating to those organizations, which are unprepared or unable to respond (Church et al., 1996).

**Internal Forces**
The internal forces can also be a deciding factor whether a company or an organization should change or not. These forces tend to originate primarily from the internal operations of the organization or from the impact of external changes. When the company strategy is being redefined or modified by management, there will be a number of changes. At the same time, an organization’s workforce changes in terms of, for example, age, education and sex. There might be a need to restructure the jobs within the organization in order to retain the younger and more ambitious managers when there are an increasing number of older executives. Moreover, new equipment represents another internal force for change. This issue can result in redesigned jobs or training the personnel when new equipment is introduced. Employee attitudes may lead changes in management policies practices to, for example, increase job satisfaction and decrease job absenteeism (Robbins, 1994).

According to DeWitt (2004), the successful implementation of change requires a carefully designed strategy implemented with a thorough understanding of the organization’s culture and its key players. Consequently, changing the way an organization operates is tough. Corporations can spend a lot of money on new software, redesign their business processes, and offer training, but this will not guarantee change. Technologies may change, but organizations usually stay the same (ibid). Therefore, the communication plan must tie to the overall plan. All disseminated communication should address the following components:

- *The strategic* - what and why we are implementing the change?
- *The tactical* - how are we implementing the change?
- *The personal* - what is in it for me? (Bechtel & Squires, 2001).

2.1.2 Planned and Emergent Approach to Change

According to Coram and Burns (2001), organizational change management can take two forms, a planned and an emergent approach to change. Planned and emergent approaches to change focus on different aspects of organizations and are applicable to different situations. The planned approach is primarily aimed at improving group effectiveness, tends to have a
top-down orientation and is most suitable for stable environments. Hence, it is an iterative, cyclical, process involving diagnosis, action and evaluation. It is an approach, which maintains that once change has taken place, it must be self-sustaining. The purpose of planned change is to improve the effectiveness of the human side of the organization by focusing on the performance of groups and teams. Central to planned change is the stress placed on the collaborative nature of the change effort: the organization, managers, recipients of change and change agents jointly diagnose the organization’s problem and jointly plan and design the specific changes. On the other hand, the emergent approach tends to focus on organizational transformation through continuous change and seems more suited to turbulent environments. This means that, despite their other strengths and weaknesses, both the planned and the emergent approach are essentially situational, thus, suitable only for particular situations. In addition, it is also clear that, even taken together, the two approaches do not cover all the broad spectrum of change events which organizations encounter. However, there is no “one best way” to manage change. Just because an approach was deemed appropriate and worked over a period of time does not mean it will work in all situations or for all time (Coram & Burnes, 2001). Therefore, successful change is not dependent on any particular approach to change or style of management. Rather it depends on organizations recognizing the need for, and working pro-actively to achieve, compatibility between the environments, the organization’s state, its management style and the approach to change adopted (Salauroo & Burnes, 1998).

2.1.3 Change Process

According to Clarke and Manton (1997) there is a two-dimensional matrix combining key success factors with the change process forms the basis of the tools (see Figure 2.1). To enable successful change the key success factors are a collation of practices, activities and methods. Moreover, these factors should receive priority attention because they strongly drive performance. However, the change process is typical adopted by many organizations involved in change. The key success factors weave through the change process to produce successful change. Still, many companies tend to focus on the change process rather than the key factors of success behind it. However, it is not only about what the companies do but how well they do it. The various key success factors are namely commitment, social and cultural, communication, tools and methodology, and finally interactions (ibid).

Figure 2.1: Change Process and its Key Success Factors
Source: Adapted from Clarke and Manton, 1997, p. 249.
Commitment includes recognizing change as an integral part of the business strategy, strength of ownership throughout the organization. Social and cultural is mainly concerned with the “people” element of change, e.g. issues involving behavior perceptions and attitudes towards all aspects of change. Communication involves all the issues associated with internal and external communication. It includes timing, methods for communication and the content of the message. Tools and methodology is concerned with the use of the project management methodology, benchmarking, performance and process measurement. Interactions look at the methods in place for dealing with interactions within the organization such as managing the balance between normal operations and other changes in the organization (Clarke & Manton, 1997).

2.2 THE USE OF COMMUNICATION

The term communication can be defined as a process of sharing meaning by transmitting messages through media such as words, behavior, or material artifacts. Communications is process used every day by everyone at work as well as at ones spare time. Managers use communication in order to coordinate activities, to disseminate information, to motivate people and to negotiate future plans (Deresky, 2000). What some companies still do not realize, however, is that without effective communication, change is impossible and change management fails. Thus, they do not apply the same analytical rigor to employee communications that they give to the financial and operational components of any change program. “Employees will not make sacrifices, even if they are unhappy with the status quo, unless they believe that useful change is possible. Without credible communication, and a lot of it, the hearts and minds of the troops are never captured” (Barrett, 2002).

2.2.1 Organizational Communication

Klein (1996) says that there are several communications principles that together can constitute a communications strategy. These following principles are shown below in Table 2.1: message redundancy is related to message retention; the use of several media is more effective than the use of just one; face-to-face communication is a preferred medium; the line hierarchy is the most effective organizationally sanctioned communication channel; direct supervision is the expected and most effective source of organizationally sanctioned information; opinion leaders are effective changers of attitudes and opinions; and finally, personally relevant information is better retained than abstract and unfamiliar or general information (ibid).

<table>
<thead>
<tr>
<th>Source: Adapted from Klein, 1996.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Table 2.1: Communication Principles</strong></td>
</tr>
<tr>
<td>1. Redundancy of message and medium</td>
</tr>
<tr>
<td>2. Face-to-face communication</td>
</tr>
<tr>
<td>3. Line authority</td>
</tr>
<tr>
<td>4. The supervisor is a key communicator</td>
</tr>
<tr>
<td>5. The use of opinion leaders</td>
</tr>
<tr>
<td>6. Personally relevant information</td>
</tr>
</tbody>
</table>

Redundancy of Message and Medium

The data are clear on the related points that repetition of the message through more than one medium increases people’s memory of the message. Management may be delivering their message once or perhaps twice, usually via some written medium. Then when employees complain about not getting the information, they are told “but we did send the message in the
plant bulletin”. The fact that the message was neither received nor understood is blamed on the intended receiver for not “getting it” and not on the sender (Klein, 1996).

**Face-to-Face Communication**

Face-to-face communication has a greater impact than any other single medium. This two-way communication (give and take) encourages involvement in the process. It also clarifies ambiguities, and increases the probability that the sender and the receiver are connecting appropriately. Accordingly, it is the best way that feedback can be used to correct deficiencies immediately in the communication process. One of the chief advantages of face-to-face communication is the ability of the participants to pick up non-verbal cues as the interaction unfolds. This adds richness to the interpretation of the message as well as communicating the emotional aspects which otherwise might be hidden. Furthermore, face-to-face communication in a group context can be a powerful force in the service of a successful change. It provides the communicator with an opportunity to capitalize on the different perspectives and interpretations that are likely to result from a complex message in terms of providing explanations and clarifications relevant to likely variations of understanding (Klein, 1996).

**Line Authority**

In this time of employee empowerment and decisions by consensus, the importance of the authority hierarchy is often overlooked. Still there are few large organizations that do not rely on formal authority as the ultimate decision-making locus and the source of the necessary accountability that infuses well-managed command and control systems. Such structures permeate organizational life and are viewed as legitimate by most organizational participants. Line management is an effective communication channel, because it carries more organizational muscle than staff positions, and it also has a greater communications impact. Moreover, the credibility of a message is directly related to the status of the source of the message and higher status is normally accorded to the line hierarchy. Additionally, in no way does the use of authority interfere with the more recently popular participative or consensus-based processes. Instead it enhances the distribution of influence down through the hierarchy when each successively lower level is fully informed and is made a “communications partner” (Klein, 1996).

**The Supervisor is a Key Communicator**

The hierarchy of authority is linked through supervision at each level. People expect to hear important, officially sanctioned information from their immediate supervisor. These since supervisors are expected to be well informed and to be accurate transmitters of information. Moving down through the ranks to the non-management level, supervision takes on an even more important characteristic. The most important actor and the primary company representative is the immediate supervisor. Consequently, the role of supervision as the last hierarchical communications link to the non-supervisory employees is an essential one. Finally, because supervisors are normally in frequent contact with their supervisees, they can invoke the principles of redundancy and face-to-face communications. By keeping the first level supervision completely informed about the rationale and progress of the organizational change, it is likely that lower levels are also well informed (Klein, 1996).

**The Use of Opinion Leaders**

Those who have collegial authority have a disproportionate impact on others’ opinions and attitudes. This formation of public opinion is commonly invoked in political campaigns. However, it can be wholly transferable to organizations. Hence, informal leaders can have
opinion-forming power, especially those active in union affairs, though not part of the union hierarchy (Klein, 1996).

**Personally Relevant Information**
To get effective communications to factory employees, the most important content is associated with work standards of evaluation, work expectations, reinforcement of performance and technical work-related information. In other words, information that directly affects one’s job territory is attended to and retained. Surprisingly, information concerning the company, plant or other workers quickly tends to be forgotten, or is not even registered at the outset (Klein, 1996).

### 2.2.2 Organizational Change and a Communication Strategy
According to Klein (1996), communication strategy should coincide with the general stages of a planned change and the relevant associated information requirements. Kurt Lewin, who was an organizational psychology theorist, developed a model that incorporates three general stages of change: unfreezing, changing or moving, and refreezing (ibid). This model for change can be used to understand and plan for change (see Figure 2.2 below). It uses the analogy of an ice cube to explain the change process of an organization. The ice cube in its original shape represents the current state of the organization. In order to change, the ice cube must be unfrozen, moulded to its new shape, and then, refrozen. Similarly the organization, in order to change positively, must melt any forces, which resist change and create a climate of acceptance and trust that will reinforce or refreeze the new state of the organization (Byvelds, 1997).

![Figure 2.2: Unfreezing / Refreezing Model for Change](source: Adapted from Byvelds, 1997)

Byvelds (1997) argues that once a change has been accepted and implemented by a group, the initiators of the change must keep working with the members and emphasize the positive effects of the change. If this is not done, the group may slowly lapse into its old habits. The whole process of unfreezing-change-refreezing may take a long period of time (ibid). McNamara (1999) states that to sustain change, the structures of the organization itself should be modified, including strategic plans, policies and procedures. This change in the structures of the organization typically involves the three stages (ibid). Klein (1996) further argues that three assumptions can be made to limit the application of the communications strategy: the change is a positive one that is designed for organizational improvement and can be touted as such; the change will proceed provisionally, subject to evaluation and modification as warranted, and in keeping with the best practices of planned change. The last assumption is that the change is comprehensive (ibid).

The stages of organizational change along with organizational objectives and communication needs can be seen on the following page in Table 2.2. The change objectives differ from stage to stage. As a consequence the requisite communications change accordingly if one is to maximize the success of the change and minimize its associated problems (Klein, 1996).
Table 2.2: Stages of Organizational Change: Objectives and Communication Needs

<table>
<thead>
<tr>
<th>Stages of Change</th>
<th>Unfreezing</th>
<th>Changing</th>
<th>Refreezing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organizational Objectives</strong></td>
<td>Redying the organization for change</td>
<td>Beginning the process</td>
<td>Reinforcing the change</td>
</tr>
<tr>
<td></td>
<td>Challenging the status quo</td>
<td>Developing momentum</td>
<td>Sharing up weaknesses and correcting deficiencies</td>
</tr>
<tr>
<td></td>
<td>Provision of rationale</td>
<td>Evaluating the pilot efforts</td>
<td>Making the change demonstrably successful</td>
</tr>
<tr>
<td><strong>Communication Needs</strong></td>
<td>Explaining issues, needs, rationale</td>
<td>Informing employees of progress</td>
<td>Institutionilising the change</td>
</tr>
<tr>
<td></td>
<td>Identifying and explaining directives</td>
<td>(current and future effects)</td>
<td>Publicizing the success of the change</td>
</tr>
<tr>
<td></td>
<td>Training personnel</td>
<td>Challenging misconceptions</td>
<td>Spreading the word to employees</td>
</tr>
<tr>
<td></td>
<td>Identifying and explaining first few steps</td>
<td>Developing sophisticated knowledge</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>among all supervisory management personnel</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Relevant detailing the change</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Continual reassurance of employees</td>
<td></td>
</tr>
</tbody>
</table>

Source: Adapted from Klein, 1996.

Communicating During the Unfreezing Stage
The primary communication objective of the unfreezing stage should be to prepare organizational participants for the change. This has been called “readying” the organization. If the change is more than marginally incremental, it is likely that resistance will surface because old values and methods are implicitly challenged. However, it is much easier to move forward if the communication strategy is carefully planned to account for the initial resistance (Klein, 1996). According to Kent (2001), feeding back people’s opinions is one good way to begin the unfreezing process. The survey feedback technique makes the organization aware that there are problems. For example, that people are upset, that morale is low, or that work attitudes and performance are not what they ought to be (ibid).

Furthermore, Klein (1996) states that it is almost impossible to predict the long-term future implications of most significant change processes, it is possible and necessary to communicate the objectives of the change. To help ready the organization, information on what is going to happen, and why, ought to be conveyed. This can take the form of a concrete description of the activity associated with the first steps of the change (ibid).

During the unfreezing stage the status quo and the forces that sustain the status quo need to be called to question. The first thing to do is to communicate the need for a change by providing a specific rationale such as a discrepancy between necessary outcomes and actual outcomes or an opportunity that can only be captured with some procedural modification. This first communication should come from the senior management person in charge of the unit. If the change is organization-wide, the CEO should be the one who is the main communicator; if it is confined to a specific sub-unit it should be the unit manager who communicates and so on. Although it has been found that a written communiqué followed by a meeting where people can ask questions and provide feedback is effective. Face-to-face communication is important at this stage (Klein, 1996).

Communicating During the Changing Stage
There is normally a lot of organizational activity as plans are being implemented. If the changes follow a planned change model, initially they are being made provisionally; hence experimenting, piloting, and testing. Because most of the workforce is not directly involved and may not know exactly what is happening there is a lot of uncertainty and rumours tend to emerge. Thus, the communications strategy during the changing stage should have three primary objectives. Firstly, to provide those who initially are not directly involved with the
change with detailed and accurate information of what is happening. Second, those not currently involved should be aware of how they will become engaged in the future; how the change will affect them, their new roles and responsibilities. Thirdly, to challenge whatever misinformation is circulating about the change (Klein, 1996).

The change process now has moved from an abstraction with theoretical outcomes to reality with very practical outcomes. Organizational structures or processes are being modified and these changes are beginning to have some organizational impact. Hence, the communication process should shift to a more specific character than that which characterized the unfreezing stage (Klein, 1996).

Communicating During the Refreezing Stage
The primary organizational objectives during the refreezing stage include building structures and processes that support the new ways (see Table 2.2). The questions that are likely to occur at the workplace are concerning efficiency, rewards, control and relationship roles. These issues are especially important at this stage because people are getting first-hand experience with the personal impact of the change. This impact may not comport with expectations or it may be perceived as negative, but in any event the burden of face-to-face communication has shifted down the hierarchy through supervisory management. Although higher management still has an important symbolic role, the specifics of the change, especially as they affect people personally, can best be conveyed by direct supervision (Klein, 1996).

The information flow should be multidirectional, continuous and concrete so that people can become comfortable in the fact that they have a reasonably full understanding of the personal implications of the change irrespective of their attitudes towards the change itself. Since the organization would like to institutionalize the change it may be necessary to create mechanisms that can ferret out the inevitable misunderstandings as they develop and then deal with these misunderstandings in terms that are easily comprehended by the workforce. Conclusively, the communication needs at this last stage are primarily to publicize the success of the change, and also to spread the word to employees (Klein, 1996).

2.3 INTERNAL COMMUNICATION

Internal communication is an important integral part of employee development practice and is one of the core elements of implementing employee development. It is of great importance to develop a formal, co-coordinated, and organization-wide internal communication system that facilitates the implementation and practice of employee development. Management must also understand (and prepare accordingly) that in a crisis situation it is necessary to increase the internal communication frequency, since employees usually have a high demand for updated information as well as the desire to provide continuous feedback (Kitchen & Daly, 2002).

2.3.1 The Use of Internal Communication
Internal communication is instrumental in terms of organizational survival and growth. Managing people successfully requires communication, and the quality of communication between the people who make up an organization is “a crucial variable determining organizational success”. In essence, “internal communication is so entwined with the process of organizing and with organizational structure, environment, power, and culture that many theorists of organizational communication argue that organizations would not exist without communication”. Therefore, internal communication is not only a crucial variable in relation
The function of internal communication is widely discussed under the headings of employee communication, organizational communication and corporate or business communication. However, the main thrust remains the same, in an ever-changing business environment, as companies become more focused on retaining an effective workforce, with changing values, they necessarily have to consider more now than in the past about how they communicate with employees through what is also often called internal communication. Based on the fact that internal communication is recognized in literature as having a role in the implementation of change management programs, it is now important to understand what factors impede or facilitate effective communication within an organization. Organizations require different approaches to internal communication and factors that need to be considered include: type of business, size of business, organizational culture, managerial style, financial resources, staff and the stability or volatility of the business environment. Moreover, communication within organizations is a key factor in influencing how well organizations perform (Kitchen & Daly, 2002).

According to Hodgetts and Luthans (2003), internal communication is influenced by cultural differences that are important to recognize. Smythe (1996) argues that the context for internal communication is changing fast. No longer is the internal communication function merely responsible for managing media. Today’s aim is to reduce communication pollution in order to increase individual understanding. Accordingly, the challenge lies not in more media, but in reconciling the capacity of the audience with the often-undisciplined torrent of information from devolved management. However, more than the efficient management and dissemination of information creates individual understanding. The never-ending supply of change processes is often turning employees into automatons with little time to think for them or to question and contribute to the adaptation of the organization. At the same time, the management expresses contradictory statements about openness and involvement. These tend to frustrate employees rather than inspire them. The fundamental choice seems to be between admitting either that the new work contract is a no-frills transaction of basic conditions for labor and competence, or one in which other contextual conditions and needs are met. Consequently, this minimalist view of work as a bare transaction misses the added value a company can achieve by fulfilling the fundamental need to humanize work. The opportunity is for employers to recognize that the relationship between individuals and the organization is sacrosanct and powerful, and so to consider it a rightful place for investment (ibid).

When there is excellent communication in the organization, everyone in the company or organization at all levels understands the need for change, what the changes are and how it will impact on business. Poor communication is when some managers understand the need for change, what the changes are and how it will impact on the business. However, only project team knows progress being made. Furthermore, when there is no communication at all in the organization, hardly anyone knows the importance of the project, what is actually going on and how it can influence the business (Clarke & Manton, 1997).

Internal communication can increase understanding of the commitment to change as well as reducing confusion and resistance to it. Thus, it is the key to organizational excellence and effectiveness (Kitchen & Daly, 2002). Effective communication is also mandatory if one is to guide change through the complexities of the transition stage of change. Communication needs to be managed so that at any point in the transition, confusion is avoided through
coherent, accurate and honest messages, which use a variety of media, are broad in their coverage and frequent in impact. Communication further occurs through evidence of action matching the rhetoric (Abraham et al., 1999).

2.3.2 Effective Internal Communication
Changing the organization is still primarily considered to be the preserve of traditional management consultants dealing in the currencies of strategy, structure, technology and process. However, a lot of change is not implemented because the human occupants of the changed organization have not been involved in understanding, and thereby owning, the changes around them. Without ownership and understanding there is likely to be compliance and fear (Smythe, 1996). Also, DeWitt (2004) argues that effective communication is a lot more than just giving people regular updates. People are naturally resistant to change, and managers have to sell them on the benefits of it. Furthermore, a strategy should be developed around the best medium for reaching everyone through mediums such as newsletters, e-mail, workshops and brownbag lunches. However, no matter which media that is chosen, it is critical to communicate regularly (ibid).

Types of Internal Communication:
According to DeWitt (2004) typical forms of internal communication include:

- **Electronic mail.** This has rapidly become the most common form of written communication within an organization.
- **Company websites.** A website will typically involve a portal or section dedicated to internal communication with and between employees.
- **Company databases.** In most large organizations employees will be able to access a number of company databases e.g. to access details of customers accounts when dealing directly with customers.
- **Face-to-face interactions.** Dealing directly with other employees in an organization is a regular occurrence and provides an excellent way for sharing ideas and for working co-operatively.
- **Meetings** can either be of a formal or informal nature. In manufacturing companies like Nissan teams of employees regularly meet to discuss issues about quality.
- **Phone communications** are another important form of oral communication with most large companies having a low cost internal telephone system.
- An internal **memo** is a short brief message to another member of the same organization. Typically memos today are sent by e-mail.
- **Staff magazines, notices and posters on staff notice boards** provide other means of internal communications (ibid).

Kitchen and Daly (2002) state that even if organizations realize the importance of good communications, they often find it hard to forge the link between “what gets said” and “what gets done”. Therefore, the nature of the link between change, change management and internal communications should be considered.

Interestingly, definitions and discussions concerning internal communication do not abound in either the academic or practitioner literature, but the function is widely discussed under the headings of employee communication, organizational communication and corporate or business communication. However, the main thrust remains the same, in an ever-changing business environment. As companies become more focused on retaining a happy and effective workforce with changing values, the organizations necessarily have to think more now than in
the past about how they communicate with employees through, what is also often called, internal communication. On the other hand, flatter organizational structures, permanent, temporary, contract and casual employees have meant that “dentifying who belongs and who does not” s becoming more difficult. This is further compounded by the fact that organizations have both formal and informal structures through which information is disseminated. Effective communications means that managers must also take cognizance of what employees (Kitchen & Daly, 2002):

- *Must know.* Key job-specific information.
- *Should know.* Essential but desirable organizational information, e.g. changes in senior management.
- *Could know.* Relatively unimportant or office gossip.

Trust, commitment and loyalty can be developed with the help of internal marketing and empowerment of employees can be facilitated. However, the kind of the information that is presented by management and the manner in which it is presented may be key determinants of whether employee development succeeds in the workplace (Kitchen & Daly, 2002).

**Imperatives for Successful Internal Communication**

There are many difficulties, which result in communication problems within organizations. These include transmission problems such as one-sided communication processes; suppression of information; mistakes in the facts being communicated; the grapevine and rumor mill, and purposeful distortion. Furthermore, receivers of information may misinterpret information given. But these factors do not reflect the complexities of the environment that organizations work in and how they impact on the communication processes within organizations. Even the type of language used with different employees or groups of staff will impact on the efficacy of a company’s internal communication (Kitchen & Daly, 2002).

Furthermore, Kitchen and Daly (2002) mention that imperatives for successful internal and organizational communication in today’s business world stress that:

- Communicating is fundamental to the process of organizing
- Understanding organizational communication provides insights into management strategies
- There should be commitment from senior management to communication
- Effective leadership skills encompass communication skills
- Management should take responsibility for devising and maintaining the communication system
- A combination of written and face-to-face channels is best
- Messages should be perceived to be relevant to employees
- Messages should be consistent with actions
- Training in communication skills increases the effectiveness of the system
- The communication system should be monitored and evaluated.

The above observations highlight what essentially is a common sense approach to good internal communication (ibid).

**Model of Organizational Communication**

The model of organizational communication given in Table 2.3 looks deeply at the factors that affect the efficiency of internal communication from five perspectives: context, shape and
form, messages, methods and modalities of communication and then the resultant activities. These perspectives show just how multidimensional the issues of internal communication can be, and how to develop more effective communication. For instance, the impact that culture could have on the management of conflict, problem solving and decision-making within an organization is evident. Moreover, Table 2.3 also indicates how internal communication and factors that affect it can impinge on “influencing organizational change and development” (Kitchen & Daly, 2002).

Table 2.3: Model of Organizational Communication

<table>
<thead>
<tr>
<th>Context</th>
<th>Communication within organizations is studied in terms of:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Messages</td>
</tr>
<tr>
<td></td>
<td>- Content</td>
</tr>
<tr>
<td></td>
<td>- Symbols</td>
</tr>
<tr>
<td></td>
<td>- Codes (verbal and non verbal)</td>
</tr>
<tr>
<td></td>
<td>Methods and modalities of communication</td>
</tr>
<tr>
<td></td>
<td>- Channels</td>
</tr>
<tr>
<td></td>
<td>- Media and technologies of technology</td>
</tr>
<tr>
<td></td>
<td>Communication activities</td>
</tr>
<tr>
<td></td>
<td>- Organizing, co-ordinating, or controlling</td>
</tr>
<tr>
<td></td>
<td>- Leading or motivating</td>
</tr>
<tr>
<td></td>
<td>- Problem solving and decision making</td>
</tr>
<tr>
<td></td>
<td>- Conflict managing, negotiating and bargaining</td>
</tr>
<tr>
<td></td>
<td>- Influencing organizational change and development</td>
</tr>
</tbody>
</table>

| Source: Adapted from Kitchen and Daly, 2002. |

2.3.3 Management and Internal Communication

The leadership team or management must show their commitment every day by actively communicating, regularly spending time with employees to discuss progress of the change and to answer questions. In fact, the goal of leadership during this period should be to over communicate. Leaders should not worry about redundancy; they should worry about silence. Silence creates an information vacuum, and in times of extreme change, if leaders do not communicate, rumors, wishful thinking, or warped information will fill the gap (Kitchen & Daly, 2002).

Abraham et al. (1999) state that effective communication is necessary for all phases of the change process. It is needed to clarify the future state in terms that are relevant and concrete for organization participants at all levels. One of the central tasks of leaders is to generate a new vision to guide the organization into a viable future. There is a need to ensure the vision is communicated effectively so that it is eventually translated into the concrete actions of the members of the organization. The creation vision itself demands communication, sometimes two-way communication throughout the whole organization, with significant numbers of employees at all levels being involved in providing feedback and input on early drafts of the vision (ibid).

To convey the vision, leaders must use various approaches such as inspirational speech making and personal intimate conversations with individuals, and group centered approaches such as the use of slogans, metaphors, vivid and memorable stories, pictures, images, which all have the effect of crystallizing a sense of purpose. Furthermore, a leader should not proclaim a vision that he/she does not believe in. This is simply because vision is not rhetoric;
instead leaders should be “purposing” which refers to continuous streams of action by organization leaders to back the vision (Abraham et al., 1999).

Furthermore, continue emphasize that managers may be eloquent about their vision and values, but if their behavior does not match the rhetoric, people will lose respect for them. Leading by example necessitates leaders becoming role models that emphasize managerial values critical to the change process. Modeling behavior thus provides a powerful symbolic form of communication. However, this is only one form of communication so necessary for managing and implementing change. Managers need to devise various forms of cultural communications which involve intervention through explicit communications, announcements, pronouncements, memos, slogans, as well as through implicit communications such as ceremonies, stories, slogans, heroes, metaphors and so on (Abraham et al., 1999).

As mentioned in chapter one, leaders and managers should be prepared to “walk the talk”. They must understand that they need to act in ways that are matching the message in the vision, and therefore, any leadership action in an organization has symbolic value. Their own beliefs and dedication to the cultural conditions they are trying to create have a high degree of impact on the operation of employees (Abraham et al., 1999).

2.3.4 Employees and Internal Communication

Many emotions are generated in individuals and in systems whenever change “threatens”. These can range from fear to envy, from rivalry to anger, from enthusiasm to cynicism, or from energetic enjoyment to apathy. It matters little whether the changes are the result of deliberate innovation or originate in unpredictable and often unexpected or unwelcome shifts in environmental conditions. Nor is there any clear relationship between the scale of the change and the scale of its impact within an organization. It is not necessary to wait for a major innovation, a merger or a full business process re-engineering initiative to bring one face to face with the question: “how far can we change our minds”? In organizations, as with individuals, someone therefore has to do the hard work of “containment”; that is of facing up to, understanding and managing the emotions that are inevitably aroused by change. It is important to help people find new ways of address change and the resistances or blockages to change (Proctor & Doukakis, 2003).

The people in the organization are the most important factor. Moreover, if partnership with the community is worth pursuing then external communication patterns need to reflect the same communication model. Put at its simplest, those inside the organization need to be treated in the way they treat those outside it (Proctor & Doukakis, 2003).

Employee development can be used to change the attitudes and behavior of staff towards being more service and customer oriented and it is necessary to create awareness and understanding about employee development in a structured and consistent way. A lack of an internal communication system regarding employee development suggests that employee development information is not properly communicated to staff, which could hamper its effective implementation (Proctor & Doukakis, 2003).

Moreover, communication has two key objectives in the management of change. The first is to facilitate understanding by those who need to adopt new processes of what will change and why. The second is to provide a process whereby employees’ expertise can usefully influence the design of that change. Furthermore, twelve practical roles for internal communication
within change have been identified (see Table 2.4): the cultural conscience of the organization, interpreter of ethics and facilitator of values, integrator of the internal culture and external brand, big picture context, the facilitator of re-visioning, real-time communication, productive consultation, involvement and empowerment, productive consultation, involvement and empowerment real-time listening and the communication planner (Smythe, 1996).

Table 2.4: Twelve Practical Roles for Internal Communication

| 1. The cultural conscience of the organization |
| 2. Interpreter of ethics and facilitator of values |
| 3. Integrator of the internal culture and external brand |
| 4. Big picture context |
| 5. The facilitator of re-visioning |
| 6. Real-time communication |
| 7. Productive consultation |
| 8. Involvement and empowerment |
| 9. Productive consultation |
| 10. Involvement and empowerment |
| 11. Real-time listening |
| 12. The communication planner |

Source: Adapted from Smythe, 1996.

The Cultural Conscience of the Organization

The predominant style of relationships, which exist in an organization between management and employees, is the most tangible experience that employees will have of that organization’s culture. This will help shape their own values and belief in the company. It is through day-to-day relationships, up, down and across the organization that employees learn which behaviors are rewarded and valued. Moreover, they observe role models of leaders and counter-culture heroes, and model their own behaviors on these. They soon join the sub-cultures, which seem to make up the organization, assimilating values and behaviors in the most powerful of learning environments, such as the workplace. Moreover, efforts to manage and change culture should be directed towards mapping and understanding relationships. The role for organizational communication is three-fold: provide the instruments to measure relationship styles; facilitate debate, among the leaders of the organization, on what kind of relationship styles will be most useful; and work with others to refine the development processes which will modify relationship styles (Smythe, 1996).

Interpreter of Ethics and Facilitator of Values

Smythe (1996) argues that organizations can still be little islands where internal values override the ethics of the society around them. Thus, the communication role is to understand the expectations and ethics with which the organization must be aligned. The knock-on of this responsibility is to facilitate the articulation of values and behaviors, which should characterize the relationships among employees and key external groups. The practical role extends to the definition of communication competencies, which will exemplify the desired relationship style. These competencies will need to be built into job roles, goal setting and appraisals (ibid).

Integrator of the Internal Culture and External Brand

Smythe (1996) continues stating that in the 1980s, retail banks were the butt of jokes because their external advertising and promotion made promises, which did not tie in with customers’ real experience. An emerging communication role is to reconcile the thinking and the
programs conceived by the inward- and outward-facing communication disciples, in such a way that the promise and the experience are aligned (ibid).

**Big Picture Context**
There is a need to weave a rational story between the various initiatives which employees are being asked to implement. Already, too many people’s work experience is a grey one, performed in an air-conditioned box, dealing with increasing amounts of change of which they feel no part. The communication role is to use the channels and media of communication creatively to tell stories about new procedures, processes and products and to put them into the context of the vision in a way that both compels and motivates. In practical terms, this means developing a communication calendar, which reflects the planning cycle. The calendar identifies the main changes and initiatives, which warrant communication support over the period covered by the plan (Smythe, 1996).

**The Facilitator of Re-visioning**
Organizations with vision sparkle with new ideas and make big leaps in competitive advantage. The task is to hijack the often dull planning process and to license a period of imagination in which the leaders and selected members of the organization are invited to play the game of Predator. Predator asks participants to imagine that they are a well-capitalized team of new entrants to the business by which, in real life, they are already employed. They must produce a vicious entry strategy designed to remove market advantage from their current employer. Moreover, encouraging people to think the unthinkable teaches them to think outside the box and produces leaps of vision, which can be turned, into strategy. The communication role is to build an inspiring re-visioning process into the planning process and feed the results into the communication of the big picture (Smythe, 1996).

**Real-Time Communication**
Real-time communication of decisions is a role born of necessity. The decision-makers now need quick implementation and the recipients want clear, quick and honest reporting. They do not want top management to fight proxy wars via the way decisions are reported. This means allowing communicators access to the decision-making forums and using fast technology to distribute this information. Another advantage of speed lies in the improved psychological health of the organization. Transparency makes it much harder for complicated and time-consuming deceits to be protected. Trust levels, expected and achieved, are likely to be much higher. Small organizations, or those that are honest, do this naturally. Large organizations need to decide to do it and to have the process and the energy in place (Smythe, 1996).

**Productive Consultation, Involvement and Empowerment**
A repeating theme in this debate is the balance between a culture that encourages “natural” involvement on the one hand and the need, on the other, to put appropriate processes in place. However, both are essential. The central issue is management attitudes about the role of employees in the decision-making process. In too many cases there is a double standard where involvement is talked about and promised, and there may even be a process in place, but employees’ ideas, once gleaned, are ignored. The communication role is to flush out whether there is a genuine need and desire by management to involve employees and, if there is, to design a process to realize the desire (Smythe, 1996).

Empowering employees to function as communications, ally them to feel safe and as a contributing part of the organization. Employees have a vested interest in working with management to prevail over the crisis and many are eager to actively promote the company’s
positions internally as well as externally. Management should therefore guide employees in their effort to speak up for the company. Empowering employees to take charge in times of crisis creates valuable communication allies who not only reinforce core messages internally, but also carry them into the community (Edmonstone, 1995).

Real-Time Listening
Listening skills are a fundamental part of effective relationships. Listening is an active part of any conversation or dialogue in the organization. There are good listening skills employed by some individuals. Moreover, the role of real-time listening is a central part of the psychological good health of an organization. If the organization is to become a real-time communicator it cannot do so unless it is listening in real time to what has been heard, people want to know more about, and to what is concerning people. There must, therefore, be a cyclical process in place to listen and engage management in hearing what has been fed back, and responding so that there is a real connection between communication and listening (Smythe, 1996).

The Communication Planner
Conclusively, today management is being increasingly devolved to business units, countries and teams, leading to a more three-dimensional type of management. Much of this is empowering and liberating. However, a side effect is the swamping of employees with information from multiple sources. This suggests the need for a new communication-planning role that of information broker marrying the information needs of the audience with that of the suppliers. The discipline of organizational communication has arrived and the thinking has begun in earnest. These thoughts have to be turned into action to ensure that today’s organizations are the companies of tomorrow (Smythe, 1996).

2.3.5 Communication Model
According to Barrett (2002), the Strategic Employee Communication Model (see Figure 2.3) can be used to help management understand the strategic role communication plays in the day-to-day success of any company as well as during major change.

![Strategic Employee Communication Model](source: Adapted from Barrett, 2002.)
The model captures all of the major components of employee communications linking them to each other and to the company’s strategy and operations. The traditional communication components, such as messages and media are at the heart of the model, but the direct link to the company’s strategic objectives and the business planning process and the overlay of supportive management with on-going assessment of individual and company communication move the model from the tactical to the strategic level. The following best practice definitions emerge (Barrett, 2002):

**Strategic Objectives**
In high-performing companies, employee communication reinforces the company’s strategic objectives. There should be a one-to-one correlation between what the company has established as its strategic objectives and what is listed as the objectives for the communications. In addition, the communications must be structured to translate the central strategic messages to all employees.

**Supportive Management**
Top-level and mid-level management must be directly involved in and assume responsibility for communications up, down, and across the organization. In a major change situation as well as for day-to-day operations, communication is not just what the communication staff does. Managers must model the behavior they expect of their employees, the old adage of “walking the talk.” They set the tone for an open or closed flow of information, so the channels of communication can flow freely.

**Targeted Messages**
Targeted messages are information tailored to the audience (i.e. messages in different words for different people when necessary) so that the information is relevant and meaningful, at the same time that it is consistent. Thus, each business unit or division must tailor the important messages to its employees, and if necessary, convert the overall message of the corporate center into the digestible and actionable messages the employees can understand and act upon.

**Effective Media/Forums**
Effective employee communication uses all vehicles to reach its audiences, but most importantly, it relies on direct, face-to-face communication over indirect, print or electronic media. Thus, interpersonal communication training, meeting management, and facilitation skills are necessary for all managers.

**Well-Positioned Staff**
The communication staff needs to be close to the most important business issues, involved in the strategic and business planning processes. Being a member of the senior management team allows the senior communication officer to understand the company’s strategy and to participate in the decision-making. In addition, the communication staff should be seen as facilitators of change not just as producers of publications.

**Ongoing Assessment**
The effectiveness of the company’s communication needs to be measured company-wide formally and frequently against clearly defined goals on an ongoing basis and throughout the key stages of any major change. Additionally, communication effectiveness needs to be evaluated as part of each employee’s individual performance appraisal with the appropriate recognition for excellence.
Integrated Processes
Communication needs to be integrated into the business processes with communication milestones included in the business plan and as part of the business planning process. Thus, communication should be placed on the agenda of meetings and built into the management discussion of strategic objectives and planning (ibid).

Furthermore, unlike internal communication, which is within the organization, external communication is instead outside the organization (DeWitt, 2004)

2.4 EXTERNAL COMMUNICATION

According to DeWitt (2004), the external communication has become an increasingly important part of organizational communication. There are many different types of communication between an organization and its environment (ibid). The basic aim of external communication of an organization is to obtain and transfer information from the environment (Gröf, 2001). However, DeWitt (2004) states that it is especially important to consider external communication when an organization is communicating with its customer. External communication reaches out to the customer to make them aware of products or services and to give them a reason to buy. This type of communication includes:

- **Written communication** in the form of letters, and advertising material such as leaflets, brochures, reports and posters.
- **Oral communication** in the form of phone calls, and direct face-to-face interactions. For example, a presentation at conferences or press releases.
- **Online communications** have become particularly important with the development of e-commerce. Most large companies have commercial websites enabling customers to buy online.
- **Television advertising** is another important source of visual communication.

The purpose with these above-mentioned types of communication is to make the customer aware of the product or service (ibid).

2.4.1 External Communication and Change
Henderson and McAdam (2003) stress that since change management means changing the very nature of organizations and the way in which they do business, management must proactively manage the resources in order to satisfy market and organizational needs. Managers must also set up data gathering techniques and systems, including an effective external communication process, to spot the opportunities and constraints imposed upon the company by the business environment. Learning plays a crucial part in planning for organizational change and the formation of organizational structures and concepts. Learning how to communicate in open, honest and effective ways will promote greater understanding and acceptance of the diversity in the organization and enable the development of better structures and concepts (ibid).

In terms of external communication strategies it is first necessary to assess two distinct frames of reference, the “inside looking out” perspective, and the “outside looking in” perspective. Existing research into aspects of external communication has tended to focus on technique rather than strategy (Irving & Tourish, 1994). Irving and Tourish (1994) propose a two-step
model around which to build and develop strategy. This involves, first, determining what management would like to see as ideal public relations to the organization and, second, determining what key publics really think, feel and know about it. The gap between the two forms the basis for identifying strategic objectives. However, sometimes, due to the diversity, external communication strategies need to be tailored to the requirements of specific groups, if they are to be effective (ibid).

External communication has a substantial effect on new service success according to Lievens, Moenaert and Jegers (1999). The qualities of external communication, i.e. information flows between the companies and its customers or potential customers, have to:

- Create awareness among potential users; and
- Create realistic expectations (ibid).

2.4.2 Communication to Customers
The degree of commercial success of, for example, a new product or service is positively related to the extent by which external communication efforts are effective in creating awareness among potential customers. There are often ineffective in creating awareness among the customers. In addition to “traditional” communication media (e.g. advertising, direct marketing) there are frequently weaknesses in the "interactive marketing" function referring to the communication between customers and front line personnel. Thus, external communication must create awareness among potential customers. Generating awareness among potential customers is essential to the successful diffusion of new products or services (Kaye, 1995).

If a company decides to enter a new market or perform another organizational change, its outcome may change the organization’s relationship with its environment, and especially their customers. It affects the position of the whole organization, and will be taken at the highest level. It is unstructured, because it is not clear how it should be made. Even if the firm has entered new markets before, the different circumstances may mean that these earlier experiences offer no safe guidelines for the new decision. The outcome is quite uncertain. Finally, the decision is dependent, because it may call for decisions to be made by all parts of the organization, concerning a variety of matters within the external communication, such as announcing new production methods, new product design, changes in marketing and sales methods, new organization structure, newly trained labor, and changes in finance. It also commits the organization to future actions and decisions, perhaps for several years (Kaye, 1995).

Creating Realistic Expectations
The degree of commercial success of a new service or product is positively related to the extent by which external communication efforts will be effective in creating realistic expectations, i.e. consistent with the product or service quality that can be delivered. Raising awareness is a necessary, but not a sufficient condition for the successful launch of a new product or service. External communications affect customer expectations. The gap between the actual service delivery and the expectations created by the external communication efforts is crucial to the perception of service quality. External communication must therefore create realistic expectations with the customers (Lievens et al., 1999).

Effective external communication between the company and the customer is critical in order to convince the customer. Intangibility creates a similar effect among service personnel.
Indeed, the more intangible or non-standardized the object of communication, the more difficult the communication about such objects becomes. The higher the intangibility of the service or product, the higher the degree of uncertainty of the task and therefore the more difficult it becomes to reduce the innovative uncertainty. Thus, in order to be successful, the internal and external communication strategies of service companies must reduce this risk perception. Putting it all together, the more intangible new product or service is, the more effective external communication has to be in reducing the risk perception among employees and customers (Lievens et al., 1999).

Simultaneity
The inseparability of production and consumption introduces uncertainty related to the task characteristics because of the difficulty and complexity in managing the customer/employee interface. Communication in a product or service innovation context must account for the provider/customer-interaction. Moreover, a better integration is required, as functional interdependencies between e.g. marketing and operations become stronger. The active involvement of the frontline personnel is essential to the success of the service innovation, since they possess valuable information about the needs of the targeted customers (Lievens et al., 1999). Furthermore, Lievens et al. (1999) state that the higher the degree of simultaneity, therefore the stronger the interdependencies among the functional departments, the more internal communication among team members and frontline employees in particular (ibid).

- The more effective internal and external communication has to be in reducing risk perception among customers and employees; and
- The more communication will have to be effective in fostering co-operation and participation among team members and frontline employees in order to handle the increased interdependence between the functional areas involved (ibid).

2.4.3 External Communication in Correlation to Internal Communication
Similarly, Henderson and McAdam (2003) also postulate that a key concern in all communicative interactions is that of uncertainty reduction. Good organizational communication and timely information about issues of central concern to staff is one important way of reducing uncertainty. As pointed out by Henderson and McAdam (2003), communication in such a context requires:

- The stimulation of thinking, participation and ideas
- The networking of all employees in improvement processes
- The identification of ways of providing additional value to customers
- The expansion of what all employees believe is possible

These emphasize the increasingly important use of communications in delivering the organizational change. Managers must think more systematically about how staff interact and communicate within the organization: the necessary precursor of involvement and commitment. Moreover, Henderson and McAdam (2003) point out that by communicating to employees the need for change and how it can be achieved is critical to the successful management of change. Furthermore, there is a connection between internal and external communication. Indeed, employees or how they are engaged in the change process is often portrayed as the determining factor in whether organizational change is achieved or not. This is partly because employees, depending on their perception of the organization, will communicate positive or negative messages to other important members or coalitions inside
and outside the firm. In other words, good internal communication will help to create a positive external communication. According to Henderson and MacAdam (2003), most of our attention and efforts to date have been focused on external communications, getting the message out from the organization to the customer and prospect. Few of us have really been responsible for the in-bound traffic from customers and prospects. Therefore, if organizational change is to be effective, the communication process must include tools, which encourage openness, dialogue and honesty (ibid).

Kaye (1995) states that practically speaking, any organization needs information both about its own internal processes, in order to ensure effectiveness and efficiency, and about its environment, in order to respond and adapt to the actions, attitudes and decisions of external agencies such as governments, competitors and social groups. Both types of information must be put together in a co-coordinated manner so that the actions and decisions of the organization can be matched closely to its external circumstances. Information processing is considered primarily in the context of business organizations. However, it is to be understood that the principles and problems addressed here are largely common to all types of organization, with only minor differences of detail and emphasis (ibid).

According to Lievens et al. (1999), communication must not only be managed internally and externally, communication flows must also be adequately managed throughout the project life cycle. The hallmark of successful projects is the genuine attention awarded to communication during the planning stage. Path dependency effects occur during the innovation process. The quality of communication during the planning stage of a service innovation project greatly influences the quality of communication during the subsequent development and launch activities (ibid).

Also, an organizational change increasingly occurs within a network of suppliers and customers. As a result, adopting a networking perspective on innovation, the boundaries between internal and external communication become increasingly blurred. Therefore, future research should focus on these relationships and examine the fit between internal and external communication flows (Lievens et al., 1999).

Four Communication Steps:
According to Gróf (2001), the two most important preliminary tasks, in the interests of success of a company, are to explore the market and to fit the company into the market. In this stage the basic aims of communicative interaction of a company are as follows:

- To obtain and transfer information from the environment (external communication)
- To absorb environmental values into company strategy and culture (internal communication)
- To harmonize activities within the company (internal communication)
- To communicate company strategy (both internal and external communication)
- To establish alliances and loyalties (both external and internal communication)

In this stage the roles of both internal- and external communication are regarded as significant from the viewpoint of stabilizing the future development of a company. Marketing communication facilitates exploring market opportunities. An overall strategic change in the culture of a company is transformed and confirmed in the processes of internal communication. A significant use of PR activity is to make the company aware of society’s expectations of the company (Gróf, 2001).
The second stage is depicted as one of strengthening a company through the following significant communication functions (Gróf, 2001):

- To utilize the most important information obtained by feedback in order to stabilize the value system of the company (internal marketing communication and PR)
- To facilitate the consolidation of company culture (internal PR activities)
- To emphasize strongly the image of the company and its products (external and internal PR).

Marketing in the second stage is the systematic collection and evaluation of consumer feedback. The importance of feedback is highlighted too. Reliable and authentic transfer of information in marketing communication and the completeness of the information ought to be a condition for the successful operation of the other departments of a company. PR activities are also indispensable in identifying and transforming general external expectations. In this second stage energetic traditional external and internal PR activities are needed (Gróf, 2001).

The third stage is depicted as one of routine operation. A complacent company in its routine life or in its achievements undermines its own future. Such a company can be regarded as being in a state of stagnation and, in the fourth stage, as becoming incapable of responding effectively to challenges from the environment. It is therefore essential in the third stage to search for new values, which are to be incorporated into company culture only in the following stage. A company facing sudden or unexpected changes during the fourth stage has either found itself in an unavoidable plight or has carried out its marketing and/or PR activities badly during the third stage, or even earlier. Consequently the two most significant tasks of corporate communication in this stage are as follows:

- To recognize and interpret changes in the environment (external communication).
- To prevent the company from becoming incapable of activity, namely, control the company’s attitude towards the values of the environment and to protect the flexibility of the company’s strategy (internal communication) (Gróf, 2001).

In the third stage, depending on the specific features of a company and its market position, a company may launch vigorous PR activities such as “pre-announcement” and sponsorship, both of which may significantly assist new achievements and, through social acknowledgement, may enlarge the circle of potential consumers. The process of the third stage depends on the speed of change in the environment of a company, but it certainly begins with changes in the company’s environment. The most important fields of change take place either in the customer environment, in society, or in technology. In this third stage the company should consider changes in the customer environment which may have external or internal causes from the company’s standpoint and which may cause significant changes in the structure of competition. Accordingly, the consequent necessity to develop different future strategies makes appropriate marketing communication indispensable. Those changes occurring in the consumers’ media (which cannot be considered to be the consequences of the external causes) can result from failures in external and internal corporate communication. The deterioration of the company’s reputation might be utilized by competitors; first through PR activity, soon followed by their own new strategy (Gróf, 2001).

In the fourth stage the company prepares for re-launching the cycle. In this stage corporate behavior and opportunities are strictly determined by the consequences of the previous stages. The operation of a company in general can be regarded as a series of long-term decisions.
Decisions, which are crucial from the point of view of the company and form the basis of further strategies, will be made in this fourth stage. The marketing communication of the company becomes intensive and settles down to collect information for elaborating the new strategies. The activities of management and the use of communication become of great importance (Gróf, 2001).

2.4.4 External Communication Tools
Chitty (1996) states that many organizations have identified a historic imbalance between their high-level external communication and marketing investment (to win customer interest) and the much lower priority traditionally accorded internal communications activity for those staff (particularly sales forces) who must provide the necessary competitive edge to convert that interest and/or to manage the organization’s reputation. In both contexts, tools are needed which move communications significantly beyond conventional one-way information transmission and deliver a genuine two-way, or interactive, process - i.e. to shift attitudes, aid learning and, ultimately, facilitate behavioral change. Here, corporate broadcast communication comes into its own and my concern is to explore its role, function, format and cost implications as well as to provide an overview of likely future developments (ibid).

Furthermore, Kaye (1995) discusses that even for a small firm the resulting total network is extremely complicated. In passing, we may observe that a firm devotes considerable costly resources to communications and information processing. It seems only logical to pay close attention to such an expensive resource, and to strive to get the best value for money, by means of an appropriate information policy and efficient systems. It is worth pointing out in passing that the firm’s competitors, customers and suppliers also exist in the same, or at least a closely related, environment; they probably know much of what the firm knows also. The large central rectangle shows the firm in its immediate environment, containing the entities with which it is most closely concerned. The firm must obtain raw materials, parts and other supplies, capital to finance the business, and labor, in order to produce goods to sell against the competition. It may also have to cope with trade unions representing organized labor. In order to manage this environment, the firm must keep it fully informed about the agencies within it. It must track developments in the supply and prices of raw materials, find the best way of recruiting suitable employees, and study the habits and needs of customers, monitor the activities of its competitors. In other words, have an excellent external communication (ibid).

Communication does not only need to be in written in words. Clearly, it is vital for the firm to be aware constantly of developments in all these areas, and for a number of key reasons, such as: acting lawfully, maintaining a good public image, keeping up with technical developments, and changing its products to match emerging markets and social trends. In the case of some firms, there is a further complication in the shape of the international dimension, which multiplies the problems and, therefore, the information processing, many times over (Kaye, 1995).

The Relationship between PR and Marketing Communications
Stated by Ranchhod, Gurâu and Lace (2002), PR is about controlling the way in which you present yourself, and are presented, in order to influence the way in which people think of you, preferably in a positive manner. Figure 2.4 shows the expansive nature of PR, which connects the company with its external and internal environment. Public relations can be an activity, which affects and impinges on virtually every aspect of an organization’s operations. It is a useful tool to communicate externally. Within commercial organizations, the major
thrust of PR activity is likely to be directed towards products or services marketing, either directly or indirectly (ibid).

In some ways it is misleading to consider that PR activity is confined to marketing support. Indeed, on occasion, public relations considerations established at a corporate level may run directly counter to marketing priorities. This reflects the important use of PR in the marketing communication strategy of any organization. Planned PR activity therefore should be an integral part of the marketing mix. There should be a clear understanding of how PR integrates with other sales and marketing activities to provide support and reinforcement (Ranchhod et al., 2002).

![Connection between PR and a Company's Audiences](image.png)

*Figure 2.4: Connection between PR and a Company’s Audiences
Source: Adapted from Ranchhod et al., 2002.*

2.5 THEORETICAL FRAMEWORK

According to Miles and Huberman (1994), a conceptual framework explains, either graphically or in narrative form, the main things to be studied. In other words, the key factors, constructs and key variables. Furthermore, the authors suggest that it is easier to generate a conceptual framework once the research questions have been stated, as has been done for this study (ibid). In order to collect data and answer the research questions, a theoretical framework of the literature review will be presented. Among the theories presented, we will choose the concepts that are the most relevant for our study. We will begin by outlining concepts regarding our first research question, which is how communication is used in an organization undergoing change. After that, the second research question, concerning how effective internal communication is developed, and finally the third research question regarding how the external communication is developed.

2.5.1 The Use of Communication

The literature and theories most relevant to use in order to answer the first research question, which is how communication is used in an organization undergoing change, will be presented on the following page.
Organizational Communication Principles
The theory developed by Klein (1996) will be used to investigate which type of communication principle that is likely to occur in the organization, since it covers many areas within organizational communication principles. Specifically, we will look at the following organizational communication principles, since those are the most relevant, and because the other factors are brought up in other theories, which we shall also cover in our theoretical framework.

- Message redundancy
- Face-to-face communication
- Direct supervisor, also called key communicator

Communication Strategy
Byvelds’s (1997) and Klein’s (1996) theories about the general stages of a communication strategy will be used in this research, because they are the most appropriate theory within this area. We will specifically look at communication during the three following stages of change:

- Unfreezing stage
- Changing stage
- Refreezing stage

2.5.2 Effective Internal Communication
The literature and theories most relevant to use in order to answer the second research question, which is how can the use of communication in an organization undergoing change be described, will be presented below.

Communication Now and Then
The theory developed by Kitchen and Daly (2002) will be used, because it is the most relevant within this area. Specifically, we will look at if companies undergoing a change become more focused on retaining an effective workforce and need to think more now than in the past about how they communicate with employees through what is also often called internal communication (ibid).

The Level of Communication
Furthermore, Clarke and Manton’s (1997) theory will be used, since it is the most extensive when it comes to excellent versus poor communication. We will specifically look at if the companies have:

- Excellent communication: everyone in the company or organization at all levels understands the need for change, what the changes are and how it will impact on the business.
- Poor communication: some managers understand the need for change, what the changes are and how it will impact on the business. (Clarke and Manton, 1997)

The theory about employee resistance written by Kitchen and Daly (2002) will be used because it is the most relevant within this manner. If there are confusion and resistance to the organizational change, there is lack of understanding and internal communication.
How to Communicate Internally

The theory by DeWitt (2004) will be used in this research, because it is the most comprehensive study on how to develop a communication strategy. We will specifically look at:

- If the companies have a strategy around the best medium for reaching everyone through mediums such as newsletters and workshops;
- and if the companies communicate regularly with the employees.

Furthermore, DeWitt (2004) also mentions different types of internal communication that is used in an organization. This theory will be used, since it is significant when deciding what forms of communication that is used in the companies. The following forms of internal communication will be looked at:

- Electronic mail
- Company websites
- Company databases
- Face-to-face interactions
- Meetings
- Phone communications
- Memo
- Staff magazines

Kitchen and Daly’s (2002) theory about effective and successful internal communication will be used since it is the most extensive theory within this area. Effective communication means that managers must also take cognizance of what employees:

- Must know. Key job-specific information.
- Should know. Essential but desirable organizational information, e.g. changes in senior management.
- Could know. Relatively unimportant or office gossip.

The theory by Abraham et al. (1999) will be used in this research, because it is the most relevant study about the leader and the communication. We will specifically look at if the leaders use various approaches to convey the vision and crystallizing a sense of purpose during an organizational change. These are the most commonly used:

- Inspirational speech making
- Personal intimate conversations with individuals
- Group centered approaches: slogans, metaphors, vivid and memorable stories, pictures and images.

Edmonstone’s (1995) theory will be used because it is the most applicable within this topic. We will specifically look at if management that empowering employees to take charge in times of crisis increases the value of the communication between the employees.

Communication Model

The theory developed by Barrett (2002) about employee communication will be used, since it is the most comprehensive model to help management understand the strategic role communication plays during an organizational change. However, we will exclude some of the
components because they are brought up in other theories, which we shall also cover in our theoretical framework. The following components will be looked at and compared to collected data, because they are the most relevant:

- Targeted message
- Integrated processes

2.5.3 Effective External Communication
The literature and theories most relevant to use in order to answer the third research question, which is how an organization develops effective external communication during an organizational change, will be presented below.

Customer Communication
The theory by DeWitt (2004) will be compared against the data, because it brings up the different types of external communication to the customers in a good way. The following forms of external communication to the customers are mentioned:

- Written communication
- Oral communication (telephone, face-to-face)
- Online communications
- Television advertising

The theory developed by Henderson and McAdam (2003) will be used in this research, because it is the most comprehensive. Specifically, we will look at if managers set up data gathering techniques and systems about their customers to spot the opportunities and constrains imposed upon the company.

Irving and Tourish’s (1994) two-step model will be used, because it is the most significant within this area, about that organizations should determine:

- What management would like to see as ideal public relations to the organization or what key publics really think, feel and know about it.

The theory of Lievens et al. (1999) will be used in this research, because it is the most relevant in the study of communication between company and customers. The quality of external communication, i.e. information flows between the companies and its customers or potential customers has to create:

- Awareness among potential users
- Realistic expectations

Kaye’s (1995) theory about if the degree of commercial success is high, the external communication efforts are effective in creating awareness among potential customers.

External Communication in Correlation to Internal Communication
Kaye’s (1995) theory will be used because it is the most significant related to this research. We will specifically look at if the companies are well aware of their own internal processes and its external environment, and that they at the same time put together in a co-coordinated manner so that the actions and decisions of the organization can be matched closely to its external circumstances.
Finally, Kaye’s (1995) theory about that a firm devotes considerable costly resources to communications and information processing, will be used because it is the most applicable in today’s business and within this area of research.

In addition, constructions of the theoretical framework are shown in Figure 2.5 below and 2.6 on the following page.
The use of communication within an organization undergoing change

- Different Communication methods during a Change
- Three Stages of Communication

Effective internal communication in an organization undergoing change

- Communication during Change
- Level of Communication: Ranging between Excellent and Poor.
- Measure of Success
- Different types of Internal Communication

Effective external communication in an organization undergoing change

- Different types of External Communication
- Communication to Customers
- External Communication in correlation to Internal Communication

RQ 1

RQ 2

RQ 3

Figure 2.6: Construction of the Theoretical Framework
Source: Authors’ Construction
3 METHODOLOGY

In this chapter the methodology used in the study will be described. The chapter starts by stating the purpose of the research, the research approach and strategy. Then, the data collection methods, sample selection and the general analytical strategy are presented. Finally, a discussion concerning the quality standards of the research, accordingly the validity and reliability of the study is provided. The presentation of the methodology is shown in Figure 3.1 below.

### VALIDITY & RELIABILITY

<table>
<thead>
<tr>
<th>Research Purpose</th>
<th>Research Approach</th>
<th>Research Strategy</th>
<th>Data Collection</th>
<th>Sample Selection</th>
<th>Data Analysis</th>
</tr>
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Figure 3.1: Schematic Presentation of the Methodology
Source: Adapted from Foster, 1998, p. 81.

3.1 RESEARCH PURPOSE

Wiedersheim-Paul and Eriksson (1997) claim that the purpose with research is to state what is to be achieved by conducting research and how the results of the research can be used. According to Saunders, Lewis and Thornhill, (2000), as well as Wiedersheim-Paul and Eriksson (1997), the purpose of a research can be classified as exploratory, descriptive or explanatory (ibid). These classifications can be founded on how much knowledge the researcher has about the problem before starting the investigation and in addition, the type of information needed in order to deal with the purpose of the study (Reynolds, 1971).

Exploratory research is appropriate when a problem is difficult to limit and when the researcher has little knowledge about the area in the field of the study. Then, it is possible to gain as much information as possible within the specific problem area (Wiedersheim-Paul & Eriksson, 1997). Consequently, since the research is designed to allow an investigator to just “look around” with the respect to some phenomenon, with the aim being to develop suggestive ideas. The research should be as flexible as possible and conducted in such a way as to provide guidance for procedures to be engaged during the next stage (Reynolds, 1971). Furthermore, exploratory studies tend to start with a wide research area, and narrow down as the research develops. (Saunders et al., 2000)

The objectives of a descriptive research are to develop careful descriptions of patterns that were suspected in the exploratory research, hence when information already exists (Saunders et al., 2000). Descriptive research aims to describe phenomena of different kinds, for instance, describe conditions, events, courses of events, or actions. Hence, the research should not be carried out unconditionally. Furthermore, describing involves a choice of perspective, aspects, level, terms and concepts, as well as to observe registrate, systemize, classify, and interpret. A good description is often a necessary foundation when one wants to explain, understand, predict or decide (Wiedersheim-Paul & Eriksson, 1997). Descriptive research could be in direct connection to exploratory research, since researchers might have started off by wanting
to gain insights to a problem, and after having stated it their research becomes descriptive (Saunders et al., 2000).

A study is called explanatory when the purpose of the research is to explain. Hence, an explanatory research analyzes causes and connections. Accordingly, it seeks to find cause and affect relationships between given variables. In order to accomplish that, besides having to come up with a well-defined research problem, hypotheses need to be stated. Explanatory research is like descriptive research not carried out unconditionally, thus it has to inform the reader about what the explanation is going to be used for and to whom it is aimed. Furthermore, the researches have to consider using different models, to reach a complete explanation (Saunders et al., 2000). According to Reynolds (1971), explanatory research is focused on developing explicit theory that can be used to explain the empirical generalizations that evolved from the descriptive research. Accordingly, this provides a cycle of theory construction, theory testing and theory reformulation (ibid).

Consequently, this study is primarily descriptive as it strives to describe and explain the use of communication in an organization undergoing change, including its internal- and external communication (e.g. our research questions).

3.2 RESEARCH APPROACH

According to Wiedersheim-Paul and Eriksson (1997), research can be categorized into two distinct types: qualitative and quantitative research. Yin (1994) states that a qualitative research concerns ideas, feelings and attitudes. This research is appropriate when the researcher wants detailed information. The goal with a qualitative research is to get a better understanding of the research problem. Furthermore, the qualitative process of research can be seen as a two-way communication. The researcher put forward a question and gets an answer, which in turn influences the researcher in his further research. Accordingly, when this method is applied, the researcher often wants much information in a few units of examination (ibid). In this study the researcher goes deeper in the research area through interviews and documentation.

The quantitative method means that the phenomena that are studied must be able to be measured and quantified, hence the results is often presented in numbers. It should also be possible to do an order of precedence of the answers. Unlike, the qualitative research there is often only a one-way communications with a quantitative method. This is a result of the way the information is collected, usually by questionnaires and with standardized options of alternative answers, which are highly influenced by the researcher. The best approach to use for a study depends on the purpose of the study and the accompanying research questions (Yin, 1994).

Furthermore, since the purpose of this study is to gain a better understanding of the use of communication in an organization undergoing change, and required a methodology that could lead us to a better understanding of the problem at hand, we adopted a qualitative approach that allowed us to investigate our problem area in depth. As the aim was not to seek generalized knowledge, it further supports our decision of using a qualitative approach.
3.3 RESEARCH STRATEGY

According to Yin (1994), five major research strategies exist, namely case studies, experiments, surveys, histories, and the analysis of archival information. These strategies have different advantages and disadvantages. Which strategy to choose depends on the basis of the formulation of the research questions, whether control over behavioral events is required or not, and whether the research focuses on contemporary events or not (ibid). For the reason that our study does not require control over behavior and focuses on contemporary events, as well as using a qualitative research approach, we will use case studies as an overall research strategy.

As our study aims to gain a better understanding of the use of communication in organizations in Sweden undergoing change, thus also the internal- and external communication, we do not require control over behavioral events. Instead the research required an intense and detailed investigation of an environment respondent to this problem area. Moreover, experiments can also be excluded. For the reason that all our research questions start with how, which eliminates survey and archival analysis. Furthermore, Yin (1994) states that history is suitable when dealing with the past, consequently when the researcher has to rely on primary- and secondary documents as evidence. History is not appropriate in our study, since we focus on present communication in organizations. Accordingly, the strategy that is left is case studies. Due to Wiedersheim-Paul and Eriksson (1997), case studies mean that the researcher investigates few objects in many respects. The researcher may, for instance, conduct an in-depth investigation (ibid). When the form of the questions is why and how, the case study strategy is most likely to be appropriate (Yin, 1994).

The above discussion indicates that one strategy seems to be appropriate in our research, namely a case study, since the research questions started are “how”. In addition, we wanted to investigate a limited number of companies in order to receive as extensive information as possible from each case regarding our area of research. This also contributed to our choice of using multiple case studies. Furthermore, using multiple case sampling will add the confidence of the findings. Multiple case sampling also adds to the validity, precision and the stability of the findings. Moreover, we wanted to use contrasting cases, in form of international versus national, in order to find out possible similarities and dissimilarities between them.

According to Yin (1994), a case study can be either a single-case study or a multiple-case. When making a single-case study, the researchers have no possibilities to make comparisons or generalize. Multiple case studies, on the other hand, give the researchers the opportunity to compare. However, less time can be spent on each case (Yin, 1994). A case study is used when investigating contemporary events and relevant behaviors cannot be manipulated. Using a case study as a research strategy means that the researchers investigate a few numbers of objects, like industries and companies, in many dimensions (Eriksson & Wiedersheim-Paul, 1997).

3.4 DATA COLLECTION METHOD

In order to complete this study, it is necessary to decide on how the empirical data will be collected, after having determined the most suitable research strategy in the previous chapter. There are two sorts of data of different meaning that can be collected to a research; primary
METHODOLOGY

and secondary data. According to Wiedersheim-Paul and Eriksson (1997), primary data is data that a person gathers on his/her own with a specific purpose in mind. Furthermore, secondary data is data that has already been gathered by other researchers with different purposes in mind (ibid). According to Yin (1994), there are six sources of evidence that are of great importance; documentation, archival records, interviews, direct observation, participant observation, and physical artifacts. By comparing these six major sources, it is relevant to know that none of these sources have a complete advantage over all the others. Yin (1994) states that the various sources are highly complementary and a good case study will therefore use as many sources as possible. In order to answer the stated research questions of this study, both primary and secondary sources have been used. Furthermore, the sources of evidence have primarily been documentation and interviews. The strengths and weaknesses of the two sources used are described in more details in Table 3.1 below.

Table 3.1: Sources of Evidence: Strengths and Weaknesses

<table>
<thead>
<tr>
<th>Source of Evidence</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
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</table>
| Documentation:     | - Stable – can be reviewed repeatedly  
                   - Unobtrusive – not created as a result of the case study  
                   - Exact – contains exact names, references, and details of an event  
                   - Broad coverage – long span of time, many events, and many settings  
                   - Retrievalability – can be low  
                   - Biased selectivity, if collection is incomplete  
                   - Reporting bias – reflects (unknown) bias of author  
                   - Access – may be deliberately blocked  |
| Interviews:        | - Targeted - focuses directly on case study topic  
                   - Insightful - provides perceived causal inferences  
                   - Bias due to poorly constructed questionnaires  
                   - Response bias  
                   - Inaccuracies due to poor recall  
                   - Reflexivity - interviewee gives what interviewer wants to hear  |

*Source: Adapted from Yin, 1994, p. 80.*

Documentary information is likely to be relevant to every case study topic, and because of their overall value, documents play an explicit role in any data collection when it comes to doing case studies. Documentation is to be perceived as secondary data, since it originally was gathered in order to serve a different purpose (Yin, 1994).

Yin (1994) explains that interviews can take several forms:

- *The open-ended interview*, in which you can ask key respondents for the facts of a matter as well as opinions of events.
- *The focused interview*, in which a respondent is interviewed for a short period of time. In such cases the interview may still remain open-ended but you are more likely to be following a certain set of questions from an interview-guide. For example, a major purpose of such an interview might be to corroborate certain facts that you already think have been established, but not to ask about other topics of a broader, open-ended nature.
- *The formal survey*, which resembles a survey but is an interview technique containing more structured questions.
Zikmund (1994) mentions different forms of interviews; hence telephone interviews and face-to-face interviews. Telephone interviews are becoming increasingly popular, mostly since it is less time consuming and relatively inexpensive, as travel time and travel costs are eliminated. However, it is important to be aware of that the absence of face-to-face contact could be a liability. This is due to a lack of body language and expressions, which has a tendency to create confusion that could produce incomplete answers (ibid).

We have used both primary and secondary data collected from both interviews and documentation, allowing for multiple sources of evidence. Documentation was mainly used to find information about the investigated companies’ different characteristics. The documentation used is company presentations in the form of company material and brochures as well as the companies’ own web sites. Additional information has also been collected from different databases and newsletters about the companies to give us a more holistic view, to increase the understanding of their activities.

Minding the advantages and the disadvantages of the interview and face-to-face interview as sources of evidence, we chose to collect our primary data through face-to-face interviews with one respondent at each company. This decision was based on the fact that we needed to search for answers to a rather complex phenomenon. Such a close perception upon the case study topic required a high level of flexibility and, therefore, we also decided to conduct focused face-to-face interviews. The choice of face-to-face interviews with the two companies was mostly because it gave us the opportunity to visit the companies and avoid the various problems associated with the other types of interviews.

In order to perform our face-to-face interviews under more controlled circumstances we made advance appointments with the chosen respondents, and also designed an interview guide that was to be used on both occasions (see Appendix A & B). The interview questions were based on the literature review, which reflected upon the problem discussion, purpose and research questions. These interview questions were structured but still remained somewhat open-ended to allow a technique called probing. Probing is according to Zikmund (1994) necessary when the respondent must be motivated to enlarge on, clarify, or explain the answers. He also states that the technique is useful if the respondent begins to ramble or loose track of a question. Anyway, we decided to send the interview guide one week in advance to the respondents as this prepared them in a proper manner. Moreover, to provide us with some practical support throughout the events, we used a tape recorder during the interview. The face-to-face interviews with Svensk Gruvteknik AB and Minelco were finally realized on December 9th, 2004, and lasted approximately for about an hour each.

3.5 SAMPLE SELECTION

As mentioned previously in the text, a multiple-case study has been conducted to gather the most appropriate empirical data. There are also two kinds of single case studies; holistic and embedded case study. The embedded study occurs when attention is given to a subunit or subunits. These units are selected and are often significant opportunities for extensive analysis, enhancing the insights into a single case. In contrast to this, a holistic design examines only the global nature of a program or organization. The embedded case study will therefore fit the research with its purpose. The area of research will as a result be through an embedded single case study, because it will contribute and give the necessary information needed in order to answer the research questions related to the subject (Zikmund, 1994).
Due to a limited time frame of almost ten weeks, this research is limited by examine the use of communication in two different organizations/companies undergoing change, with multiple case study, which is to interview. Miles and Huberman (1994) state that although contrasting cases are used, a sampling frame is needed, guided by the research questions and the theoretical framework. When selecting our sample, we therefore set the sampling frame to companies that are undergoing organizational changes. We got in contact with the first company, SGT, because of our own family connections. Consequently, this after we noticed the company being very visible and public in media during that time about their organizational change, such as television, radio and newspapers. Moreover, SGT knew another company in the same industrial business that also conducted an organizational change, and that is how we got the actual contact with Minelco. However, in order to get as correct results as possible, we wanted to have two companies from the same industrial business. In addition, we also wanted two companies from the same geographical area, to see if there is any existing connection. Both SGT and Minelco are from the northern part of Sweden, which will make the analysis more relevant and valuable. We also based our decision on companies to have one international company and one national, because we wanted to get a wider perspective, and not only be limited to one. Sequentially, wider results can therefore be drawn. However, the results are of course with the consideration of having one international company as well as one national company.

To be able to obtain relevant data, we had to make subjective choices of whom, within the two case study objects, to interview. First, we considered the criterion of knowledge that the respondents ought to have due to their company key-positions. The final choices were based upon the recommendations made by the companies themselves. At Svensk Gruvteknik AB, we chose to interview Per-Anders Johansson and Martin Sandin, who are the owner and the CEO of the company respective the vice president in the company. Johansson and Sandin therefore possess a vast deal of knowledge and experience within our field of investigation since we are basing our research from a management perspective. Furthermore, we chose to interview Kjell Nordmark at Minelco, who holds a position of production manager. We felt that his overall knowledge was suitable to the support of our study.

The reason behind the choice of case study objects was primarily impressed by our subjective notion, that companies that undergo, or will undergo growth or major changes are stimulated towards developing more flexible and effective communication. In order to get as correct result as possible, the two case study objects should be undergoing a change, in to some extent similar area of business, since it would be trust worther when comparing the companies in a multiple case analysis. However, Ahrens (1996) states that communications problems that evolve in rapid growth companies are not related to a specific area of business, but can develop in any company undergoing change. Thus, based on these premises, we have chosen to conduct our case study on Svensk Gruvteknik AB and Minelco.

3.6 DATA ANALYSIS

According to Yin (1994), data analysis involves examining, categorizing, tabulating, or otherwise recombining the data. Each case study should start with a general analytic strategy. These general strategies should help the researcher to select among different techniques, and to complete the analysis in a successful way. Yin (1994) mentions two general analytical strategies that the researcher can choose from; relying on theoretical propositions, or developing a case description. If the researcher decides to rely on theoretical propositions, he/she collects data with research questions and precious studies as a basis. Developing a case
description means that the researcher uses a descriptive way to present the data, however, this is less favorable and should only be used when little previous research. Hence, the first strategy is the most commonly used (ibid).

Furthermore, specific techniques can be used to actually analyze the data. There are two forms of analysis available to apply on empirical data, specifically within-case analysis and cross-case analysis. Within-case analysis refers to comparing the collected data against the theory used, while cross-case analysis compares data from different cases with each other (Miles & Huberman, 1994).

According to Miles and Huberman (1994), the focus in writing a qualitative data analysis is on data in the form of words. Continuously, the qualitative analysis can be described as consisting of three simultaneously occurring flows of activities; data reduction, data display, and conclusion drawing and verification. Data reduction should not be considered to be separate from analysis, instead as a part from it. The reduction of data is the part of the analysis that helps to sharpen, organize, focus, and simplify the written information; hence the researcher can draw and verify final conclusions. The second analytical activity, data display, helps the researcher to draw conclusions more easily by displaying the reduced data in an organized, compressed way. This second activity is, as data reduction, a part of the analysis and not separated from it. Conclusions drawing and verification is the final analytical activity. At this stage, the researcher starts to decide what things mean by noting regularities, patterns, explanations, possible configurations, causal flows, and propositions. Additionally, researchers should hold such conclusions lightly, while maintaining both openness and some skepticism (ibid).

Yin (1994) states that a preferred strategy is to follow the theoretical framework that led to the case study. The original objectives of our case study were based on such a framework, which in turn reflected reviews of the literature, a purpose, and a set of research questions. For this analysis we have used what Yin (1994) claims to be a pattern-matching logic. With this logic in mind we could compare the empirically based pattern with the predicted theoretical pattern. In other words, the empirical findings of SGT and Minelco were compared and described in two separate within-case analyses, and further put in relation to the theories of the theory chapter. However, we have also conducted a third section of cross-case analysis that according to Yin (1994) has an explanation-building character. A comparison of the two within-case analyses enabled us to explain and increase the understanding of how the use of communicating in organizations undergoing change.

This study will rely on theoretical propositions that provided the material for introduction, research questions and literature review, and then lead by a theoretical framework. Moreover, we will follow the three steps as suggested by Miles and Huberman (1994). Selecting first reduced the data concerning each research question and simplifying the essential parts needed in order to answer the research questions. The reduced data was displayed in tables, showing the empirical findings of the study. This made it easier to draw and verify conclusions on where theory corresponds to the data or where it does not correspond. Finally, the conclusion and verification stage was compiled based on the noted regularities, irregularities, and how the empirical data actually was in accordance with existing theory.
3.7 QUALITY STANDARDS

The quality of the research is of great importance when analyzing the empirical data. Attention has to be paid on two particular emphases on research design, which is reliability and validity. These two elements are important to consider since they determine how relevant the study is within its research area (Yin, 1994).

3.7.1 Validity

“Validity is concerned with whether the findings are really about what they appear to be about” (Saunders, Lewis and Thornhill, 2000). Validity is the extent to which researchers are able to use their method to study what they have sought to study rather than studying something else (Gummesson, 2000). According to Yin (1994), there are three different and relevant tests for case studies when it comes to validity; construct validity, internal validity and external validity. These three tactics can be used in order to increase the validity of the research. The tactic of construct validity is to use multiple sources of evidence and to establish a chain of evidence during data collection. Secondly, internal validity should not be used in a descriptive or exploratory study. It only concerns studies with casual explanatory research approaches where certain conditions are shown to lead to other conditions. Furthermore, this should be considered during the data analysis. Lastly, external validity is to use theory in single-case studies and is important especially in the research design. This concerns the issues of determining if a study’s findings are possible to generalize beyond the immediate case studies. Furthermore, it is possible to achieve high external validity when using case studies, since these kinds of studies rely upon analytical generalizations that try to generalize findings in theory (ibid).

To increase the construct validity of this research, documentation relevant within the area of research were collected. The case study objects were chosen from somewhat similar business area to increase the validity. Additionally, in order to get a result as relevant as possible, both companies Minelco and SGT are active in the same town, Gällivare. Hence, the same external environment affects them, with some differences since Minelco also has business internationally.

An interview guide for the company interviews was made, to give us certain directions when asking the questions (see Appendix A & B). Nevertheless, in order to increase the construct validity, a translation of the interview-guide was made, when sending the respondents the questions and interviewing them. The interviews were conducted in Swedish, this due to the fact that the respondents were of Swedish heritage and because both companies are Swedish companies. These interviews were later translated into English, which includes the risk of translating errors. However, if the interviews had been conducted in English might have led to misunderstandings and less free conversations. Thus, to conduct the interview in Swedish language makes it easier for all involved to interpret the right message. Moreover, to increase the external validity even more, conclusions were drawn in the same order as stated in the theoretical framework to avoid misunderstandings. The conclusions were also limited to the generalization of the case. Furthermore, the interviews were conducted with two respondents in one of the cases, which give the researcher the possibility for affirmation when the answers confirmed one another. A tape-recorder was also used during the two interviews that enabled the researcher to double-check that the respondents had relevant answers in regard to the actual questions. Finally, notes were taken during the entire interview to strengthen the message of the respondents.
3.7.2 Reliability

According to Yin (1994), the objective is to be sure that if a later investigator followed the same procedures as described by an earlier investigator and conducted the same case study all over again; the later investigator should arrive at the same findings and conclusions. Hence, the whole goal with reliability is to minimize the errors and biases in a study (ibid).

There are several ways of controlling reliability. The ones applying to this research are to, for example, keeping objectivity when making interviews, and keeping measurement bias constant in term of people collecting the data and the procedures used to collect it (Saunders et al., 2000). One possible factor affecting reliability is the risk of the respondent’s lack of sufficient knowledge. If the respondent has insufficient knowledge, there is a risk that a following investigator who interviews a different respondent with the appropriate knowledge will receive different answers. Other factors which may affect the reliability of the study is if the respondent at the moment is tired or stressed, or have negative attitudes towards the interview (Wiedersheim-Paul & Eriksson, 1997).

For this thesis, efforts were made to make sure that the most proper respondents were identified, which are those persons that were the most knowledgeable of the area of research. As for this case, the respondents where neither tired nor stressed, instead they seemed very interested and gave the time needed for the interview. The respondents attitudes towards the area of research was that they found it very interesting since they are working with such issues, and wanted to give their contribution to this thesis as much as they could.

Moreover, the researchers have tried to carefully explain the procedures of the research, in this, as well as in every other chapter. An interview guide that shows how the research questions were conceptualized has also been designed. The same interview guide has been used for both interviews with the two companies. The data collected for each of the cases as well as the structure of the thesis has been made in a way so that following researchers can retrieve any desired material. However, when conducting interviews, personal biases may to some extent been present although efforts were made to formulate relevant questions that would neither lead nor influence the respondent in any way. By doing this we have increased the reliability appreciably.

Visualization in form of a figure has been made of our research path (see Figure 3.2 on the following page). This figure is presented in order to give the reader a clearer understanding of the methodology used in our research for this thesis, as well as make it easier to follow the structure of this chapter.
Figure 3.2: Visualization of the Methodology Used in this Research

Source: Author’s Construction
4 DATA PRESENTATION

In this chapter, the empirical data collected from the two companies will be presented. The companies will be presented one by one. To begin with, every section will give an introduction to the company, and thereafter the data will be presented in the same order as our theoretical frame of references.

4.1 CASE STUDY: MINELCO

Company Background
Minelco, the minerals arm of LKAB, was established in Sweden in 1989 to develop the use of natural iron oxides, primarily Magnetite, in markets outside the mainstream iron and steel industry. Minelco offers a wide range of industrial mineral products to various end use applications. New and improved grades of their products are continually being developed in co-operation with customers to meet their immediate and future needs. Ownership of mineral mines and long-term relations with selected mineral suppliers ensures long-term stability and a constant supply of quality products well into the future. The business concept in Minelco is that the company develops, produces and markets selected minerals customised for industry worldwide. The business area is magnetite to chemical industry outside the conventional magnetite to the steelworks, for instance, chemical industry, foundry and concrete (www.minelco.com).

Minelco is a global business with manufacturing assets, warehousing and logistical facilities strategically located around the world. Ownership of mineral mines and long-term relations with selected mineral suppliers alongside their diverse range of processing activities ensure they can provide both standard products as well as products that are customised to exact needs. Their customised special application and specific customer products are based on selective mining and special treatments such as crushing, screening, milling, upgrading, drying and packaging. Execution of their supply chain from mine to final destination is of paramount importance, and their experienced logistics team ensures that products are transported efficiently. They can provide bulk or bagged products, small or big bags, transported in containers, by truck, rail, boat or air (www.minelco.com).

The company’s customers exist in multiple business areas. Supplying customers with products of the right quality at the right time is critical to the success of the company. Furthermore, every customer that is buying magnetite goes through Minelco Suppliers. However, Minelco does not only sell magnetite today, they also sell limestone. The limestone is called the “white” side, and magnetite is called the “black” side. The “black” side customers outside conventional steel industry are chemistry, foundries, ballast, car industry and carbon industry. Moreover, customers from the water purification industry are becoming more and more usual.

One of the cornerstones of sustainable growth is the focus on Research and Development and the development of new products that add value to customers. The company has access to LKABs own R&D laboratories and pilot plants. The flexibility of utilising all the available research facilities ensures that the latest technology is at their disposal, creating opportunities for the development of new and existing products to better satisfy customer requirements. They also work in partnership with various universities, research institutions, consultants and customers in the development of new products and applications. Their goal is to offer products that help their customers to become more profitable (www.minelco.com).
Organizational Change
Minelco has developed very positively and in 2003 Minelco greatly expanded its mineral business by acquiring the Frank & Schulte Fillers and Minerals Division. The acquisition was an obvious growth vehicle for Minelco enabling concentration of resources at an international level in a wide number of industries. Accordingly, in year 2001 the company grew from 10 persons to approximately 450 persons. Hence, it was a radical organizational change. Although, the acquisition took place in 2001, the actual change started in 2002. Moreover, Minelco was subsidiary to LKAB until January 1, year 2004. Today the company is one division beneath LKAB, thus it belongs to the LKAB-group.

Minelco’s organization is not easy to explain. The old version of the organization had one CEO, who was responsible for the whole company (see Figure 4.1). Furthermore, the link to the decision-making was really short. The company had one division, which included Minelco Suppliers and Minelco Norden. Moreover, the latest version of the organization is not printed yet, however there is a picture in broad outlines of the whole organization after the change (see Figure 4.2 on the following page). Minelco, whose headquarters are in Sweden, conducts worldwide business through the Minelco companies across Europe, the USA and Asia, which ensures that the Minelco Group is able to serve customers on a global basis. The company is divided into the following divisions: Germany, the Netherlands, China, England Specialities and England Minerals, Sweden (including Suppliers and Norden), Asia Pacific and USA. The official language within the Minelco-group is English, this since they are an international company. Moreover, Minelco’s strategy when it comes to the international market is to “think global and act local”. Through worldwide locations, a network of manufacturing sites and an excellent logistics system, the company is always available to its customers in most parts of the world. The variety of cultures in Minelco gives the advantage of truly understanding local customers’ needs and expectations.

*Figure 4.1: The Organization before the Change*
*Source: Company Document*
Even though the actual organizational change is made, the organization is continually changing. Nowadays, it is a very flat organization with short lines between the levels. It is not hierarchical; instead people can communicate openly with everyone in the company, regardless of level. As can be seen in Minelco AB, which is the Swedish division, the company has employed people that work as direct support to the CEO, an employee works with the marketing and communication and another works with the business development. Moreover, the company has a very open atmosphere, which is mainly because that Minelco has become larger, according to the production manager in Minelco. The company has also been divided up in sections based on the products of the company.

At the time of change in 2004, managers for the new and different divisions within the company where employed, thus also our respondent Kjell Nordmark, and he has been working at Minelco since March 2002 with the position of production manager. More specifically, he is now working in the division of Minelco Suppliers. Nordmark started his new job as a production manager for Minelco Suppliers in the beginning of the organization’s new establishment. Nordmark has always been working with questions concerning Minelco, but he worked for LKAB earlier. Nordmark is primarily working with the production of magnetite in Sweden, which has units in Malmberget, Kiruna and Malmö so far.

4.1.1 The Use of Communication
Communication is an important part of Minelco’s strategy, since the company is situated over the whole world. The company can have a fast and short communication channel with the use of Intranet. This is a part of their strategy, and it is something they have adapted from LKAB. As mentioned, Minelco has access to LKAB’s latest technologies. However, there are some divisions, such as England, that have not connected to Intranet yet. Otherwise, most of the Minelco divisions are using this form of communication.
The most important link, the key communicator, in Minelco is actually the communication channel Intranet. If the company would not be using the mail system, they would have long lines when using regular post, such as e-mail or other type of medium. Hence, Intranet is very important for the company.

Otherwise, Minelco has employed staff that is working only with the company’s communication. These persons inform, for example, about IT to the other divisions around the world. However, they are only working with the communication in the company inside the country borders. People from Minelco in Sweden have also been to the Netherlands and Germany to get Minelco’s communication system in Sweden to fit the system in these countries as well. This is one of Minelco’s goals, thus to get all of the involved divisions start using the Swedish system and thereby be more assembled. Additionally, Minelco is also using people from LKAB to get the communication to work more efficiently.

Furthermore, during an organizational change, there is also a change in the communication. Minelco prefers to use the old way of thinking in LKAB when it comes to the communication. The difference between the old way of thinking, like in LKAB, and the new way of thinking is that these are two different systems. These systems need to be adapted in order for it to work successfully. Some countries have had problems adapting the two different systems, but they will most probably adapt to them successfully in the close future. Cultural differences play an important role of the fact that some countries have adaptation problems while other countries have not. Anyway, the communication is very important during an organizational change in order to get everyone to understand what is happening in the company. Telephone communication plays an important role as a communication channel. In addition, Minelco has no plans on changing their way of communicating in the closest future.

4.1.2 Effective Internal Communication

There is a difference in the way Minelco is communicating with its employees after the organizational change in comparison with how the company was communicating before the change. At present time, the company has to communicate to more people and this is the largest difference. After the organizational change in the company, Minelco has realized how important it is to communicate in the right way in order to succeed with the business. Anyway, the internal communication within Minelco is good. Having good communication in the organization is the prerequisite that everything will work in Minelco. The use of communication has developed significantly in the company during the last years, and it will probably be improved continuously.

Although, Minelco is communicating more efficiently today that before, it should still be pointed out that it can be improved. Today the communication within Minelco is good across all the divisions, because people can be reached almost whenever needed. The use of the company database, telephone and the mail-system makes it easier to communicate. The communication is mostly through telephone, for the reason that it would be expensive to make the meetings personally, and since all the divisions are not using the company database yet. Therefore, telephone communication is the most effectively used medium, since there is a quite long distance between the divisions.

Almost everyone in Minelco, regardless of position in the firm, understands the need for an organizational change. Some divisions might not be accepting the change fully, and therefore, there may be internal resistance. However, as long the results are positive and the company is successful, everyone is satisfied in the company according to the production manager.
(Nordmark) in Minelco. Anyway, the organizational change is accepted at least on the manager level. The way Minelco has informed staff about the change has mostly been through the manager. However, there have also been meetings between the managers from the different divisions. Minelco is such a large company; hence it is significant to set up informing meetings. In addition, they travel quite a lot to meet colleagues in person in different contexts. Consequently, it is important to personally get to know people.

Minelco has a strategy when communicating with the employees. They use different mediums, such as e-mail, website, the company database Visma, face-to-face, telephone, newsletters and also net meetings and videoconferences. The company database Visma contains, for example, economy and storage. However, everyone does not have access to the system, only to the areas that concern them.

Minelco Suppliers uses net meetings but only within their own division. However, this is something that will be more commonly used in the future. Net meetings and videoconferences are effective and almost as good as face-to-face meetings according to the production manager in Minelco. These net meetings are less expensive, show facial expressions, gestures, pitches and body language. Naturally, face-to-face contact is the ultimate way of doing business, but since Minelco is a rather large company, net meetings and videoconferences tend to be a better and cheaper alternative.

Communication with employees is handled on a regular-basis at Minelco. This is simply because everyone should know what is happening in the company. The communication in Minelco is effective if everyone receives it at the same time, regardless if it is presented orally or in a written document. This is important in Minelco since information that goes through many levels and lines is often distorted before it actually reaches everyone; it does not matter if the information comes from the top or from lower levels. The way Minelco is communicating the organizational change within the company is also through speeches with the manager, since the employees have planned conversations with the manager twice a year. Furthermore, everyone within Minelco has enough knowledge about the industry and sundry work. Nevertheless, of course the knowledge could be improved. However, the organization is changed too recently for everyone to know exactly all about it.

Empowerment in Minelco is described in detail in the employee description, at least when it comes to decisions about money. However, this is something that cannot be followed completely, because an employee is not allowed to buy something concerning the production since this person does not have enough right to make such decision. However, according to the production manager in Minelco, the employee must then go outside his/her limits. It may concern a lot of money, and the person involved should have the right to make the decision whether to buy or not.

There is a strong trust in the employees within Minelco. For instance, if someone from the lower levels is responsible for the production, he should be able to decide what material the company needs to buy. Otherwise, the company would not work. Minelco buys material from LKAB for approximately ten millions per year, and if the employees where not allowed to exceed the limits, they would not be able to purchase anything. In other words, it is not only the management who makes the decisions. All employees can work quite openly in Minelco, and everyone takes their responsibility for their respective job assignments. Furthermore, Minelco customizes the information given to the employees, because people are different and
need to be treated differently. Additionally, different departments often need information that is specially adapted to them.

4.1.3 Effective External Communication

Minelco has a very good contact with their customers. That is a succeeding factor in the company, since it is important for them to keep their customer for a long period of time. The company is not selling products as a fast-selling boutique; instead they often conduct long-term relationships with their customers. This is one of the main goals of Minelco; hence to get contracts for several years with their important customers. Therefore, relationships are very significant, and sometimes the company builds a relation with a customer many years before the actual purchase.

It is important for Minelco to know what their customers really think, feel and know about the company. By doing this, Minelco always tries to reach customer satisfaction. This is something that the company actually measures in a way that their most important customers get questionnaires about Minelco to answer. Minelco has been measured customer satisfaction for a long time, and the purpose with these questionnaires is to conduct statistics on customer satisfaction in the future. In other words, the key public is really important for them. If customers are not satisfied with something, Minelco sees it as very important to attend to the eventual faults.

Minelco’s ways of communicating with their customers are many, such as written-, oral-, online- and telephone communication. To meet their customers face-to-face is the absolute and best alternative to get their customers interested in their products. Therefore, Minelco’s marketing strategy mostly involves customer visits. Thus, to find eventual customers and to take care of the customer-relationships that already exists. Minelco is growing continually and they have succeeded to reach out to their customers to a large extent. The company has no intentions to market themselves in media, such as TV, radio or newspapers; because they do not think it is necessary for them. Minelco’s customers are already aware of the company, hence the company is satisfied with the commercial success they have on the market. Additionally, Minelco is sometimes sponsoring events or other happenings. Although they are not doing it with a marketing purpose, they do it for a good cause. The production manager in Minelco does not think that the sponsoring will increase their selling of products.

Moreover, the company’s customers have realistic expectations about Minelco. Some of the oldest customers, that have been buying products already before the organizational change, were at first worried about the change. However, as long as their customers get their products in time, together with promised quality, they are satisfied.

When it comes to resources, which Minelco is putting on information processing, they tend to put quite a lot of resources on communication. They have actually employed staffs that only work with the communication part. These persons are situated on the level beneath the manager in the Swedish division; Minelco AB (see Figure 4.2). Moreover, this can also be seen in the other divisions. Hence, there is a read thread that goes internationally through the whole organization. However, it is not costly to put resources on communication, since it is a necessary thing to consider in the entire organization. It would be hard to communicate effectively on an international basis if there were lack in the communication. Finally, Minelco is trying to synchronize internal processes with external conditions. For example, if the company has made some internal decisions, they have to publicize it externally.
4.2 CASE STUDY: SGT AB

Company Background
The present CEO of SGT AB, Swedish Mine Technology Inc, is named Per-Anders Johansson with the age of 37 years. The facility is situated in Gällivare, where the production is, and their service is in the construction plant Aitik, which is one of their main customers. Construction is also present in the facility in Gällivare, but also in Luleå.

At 1989 he started a company with the name Br JSM, together with his two brothers, and continued with this business until 1999. At that point Johansson, together with his brothers, got a suggestion by Håkan Malmgren, who owned 80 per cent of a company named Akapia, to acquire shares in this new company. Akapia consisted of two companies; Mecon, which is a construction company and also SGT, which is mainly a service company from the beginning. After a while they decided to buy shares in Akapia, because this company was pretty much competitive. They bought a share in Akapia in 1999 and had a negative result on 1.3 million SEK. SGT was not lucrative in the beginning and it almost went in liquidation at first. In 2000, they turned this to a positive result on 3.5 million SEK, and they have continued developing the company ever since that year. However, they have a part owner in SGT with the name Erik Andersson, who owns 20 per cent of the company, and is also the vice president for Mecon.

The reason behind why SGT was bought from the first place is because it consists of four important departments; plate department, machine department, industry service department, and lift and shaft department, which Johansson saw future development possibilities in (see Figure 4.3 below). They have, among others, increased the technology in the form of new investments in machines as well as sundry increased competence in the company. To reach success with operation solutions, SGT must always develop new technology and innovative solutions. Furthermore, they have developed the industry service department in the way that they have tried to make the operation solutions more effective than before. Moreover, they have worked on their customers on getting operation solutions to the lift and shaft department, which they have not had before. In January 2004, SGT hired a vice president for the company; Martin Sandin. At the same time they also hired Lars-Erik Bergman, which, together with Martin Sandin, started a new department named industry group.

![Organizational Schedule](image)

*Figure 4.3: Organizational Schedule
Source: Company Document*
SGT is a full-service company where service, development and manufacturing machine parts make them a safe and competent partner for companies in heavy industry. SGT develops, manufactures and installs everything between spare parts to big process-works to the heavy industry. SGT industrial service department has undertakings in process works and in spare part maintains. The organization is prepared for repair- and maintenance service every day and hour during the whole year.

SGT has a long-term competence in “turn-key” deliveries. SGT uses the latest 3-D Cad tools and FEM-design for computer development and engineering. The company has also long experience in cutting work as milling and lathe. Furthermore, SGT develops, manufactures and delivers components and machine parts where the company has a high degree of machine cutting knowledge.

The industry group sells products to the mine industry; they basically sell their business concept. When it comes to SGT’s operation solutions, they can influence the material used and the design on their products, which is very important when having these operation solutions. What is most important for this group is that they have to build strong alliances with strong suppliers. For example, if they get an operation solution on a part in the mine, not only do they want to affect their own technique when it comes to maintenance but they also want to have a strong connection to their supplier of ware- and spare parts to maybe change the chrome content in the ware- and spare parts to reduce time and costs. SGT is also selling products, which these strong suppliers provide them with, to a reasonable good price in comparison to their competitors. They push that their strategy is to use their brain versus heart.

At the present time SGT has products from strong alliances such as Sandvik Processing, Weir Warman (pumps), KIG, Aifa, SSAB Hardox (ware- and spare parts). These are companies that they have allied themselves with.

SGT’s customers are mainly within the industry and are presented in the following order; Boliden, Wassara, SSAB and LKAB. However, LKAB is only between five and six per cent of their turnover, and this will be reduced to the next year as well.

The customers require complete solutions; they want SGT to treat the equipment and to run it. The customers also want to increase their availability (their use of the construction facility), and reduce costs. Hence, SGT pushes that if they put all these three pieces together it is possible to develop a win/win suggestion.

SGT had good service, good production and good construction last year. Nevertheless, after new employments and the development of a new department this year, products are now involved, which make them both a service- and production company.

Organizational Change
SGT will, by the first of January, start another company situated in Kramfors; a city in the middle part of Sweden. The new company will have the name SPT, Swedish Paper Technology Inc. This means that the company will operate in both the mine industry and the paper industry; in other words, differentiate their business. SPT will become a common service company towards customer, where the customer is minority owning (small ownership). This competence, together with their ideas, is basically the business concept that they will make use of; it is more of a way of thinking. Their products are basically their
operations solutions, and because of that they get a higher level of technique and a higher level of competence in return. Additionally, this is a part of the vision.

SGT’s strategy this year is to identify what they will focus on, and it is mainly three things; operation solutions to existing customers, a new company with new establishment in the middle of Sweden, and a development of Wassara, one of their main customers. They will invest in machines and premises to the new organizational change. The difference from before is that they will start a complete new company connected to SGT, and also that the economy and the quality/working environment fire will be lifted up to an own staff. There will be one person who will take care of working environment and fire environment, which will provide SGT, SPT and Mecon with the new knowledge. This person is now working in Mecon and will be working in another staff after the organizational change is done. Furthermore, the costs will be divided either towards the turnover or to the quantity of employees in the respective company. Moreover, they will have about 80 service assemblers that will commute between Sundsvall and Kiruna.

The reason behind this organizational change is that they want to expand and try something new. They believe that SGT is stabilized and has reached a safe platform. If they stop developing themselves and the company, they will lose their energy to work and see no interest in working anymore.

The changes have currently started to a certain extent within the company. They are investing new machines and rebuilding their workshop and also building a new one on the side. Furthermore, the whole facility will be enlarged and the process has already started. However, CEO and the vice president within SGT have not acknowledged the new SPT for their employees since they cannot be public with it until the first of January. Nonetheless, they have introduced their personnel about what will happen and what will be changed. The industry service department will be reorganized. SGT will also change the process under the machine department. However, all departments will be organized in quite the same way in SGT and SPT, and their will be a vice president, a head of the department and finally a team leader. As mentioned, the organizational change will take place from the first of January and it can be visualized in Figure 4.4 on the following page.
The present CEO and owner of SGT is named Per-Anders Johansson and he has been working in the company at this position ever since he first bought it in 1999, and has also earlier experience within the business area. Therefore, Johansson has a lot of knowledge about the business and is one of our respondents in the company. Our second respondent is Martin Sandin, who holds the position as a vice president in SGT. Sandin was employed in the beginning of 2004 and has been trying to develop the company and find new solutions ever since he first started. Sandin has also 30 years of experience within the mining industry. Conclusively, it felt natural to conduct an interview with Sandin as well, on the request of the company.

4.2.1 The Use of Communication

The communication is very important in SGT. The company would not have come so far if they had not a good account and, for example, developed a good image when making excellent presentations of the company, which is a part of the communication. However, SGT has no specific organized communication plan or strategy, but it exists in the back of their heads.

SGT has no pronounced key communicator within the company. However, the most important persons in the company, when it comes to communicating both externally and internally, is Per-Anders Johansson and Martin Sandin, who work as direct supervision to the employees. Yet, there is no existing strategy behind it.

SGT will consider the communication more during the organizational change, because they will all suddenly become 160 employees internally instead of 80. Moreover, when there will be more employees on different places in Sweden, the roles that both Sandin and Johansson presently have will be changed dramatically. There will be a more pronounced management with a management group, and frequent meetings internally. At the present time, both Sandin and Johansson are in charge of SGT. However, after the organizational change, Sandin will have more responsibility for SGT while Johansson must be in charge of all those areas. There will be a more prominent, organized and structured management function. SGT has currently
a simple management principle, where management and employees meet over coffee every day. However, when they will become more employees with a wider geographical spread, it will become more difficult to follow the same principle. Therefore, their website will be developed, because they believe that it will become an important part in the communication strategy in the future.

SGT has not yet a specific plan or strategy on how they will organize, among others, meetings with the new employees. The company will simply take the business first; the practical part and to serve their customers are priority one, and after that the internal pieces will be worked upon. However, since they do not know how big this expansion will become in the end, it is hard to plan. According to the CEO and the vice president of the SGT, bigger companies, with 200 employees and more, have more pronounced staff functions when it comes to, for example, marketing the company and taking care of making brochures, to attend to identifiably trade fairs, have a good website and to create a good image. Nevertheless, SGT is "to big to be small and to small to be big”. Moreover, that a smaller company like that, irrespective of being a production company or a service company has a strategy like that.

SGT will most definitely plan on changing their way of communicating in the future. The company will think about how they will make the best solution on communicating both internally and externally, but not much time is spent on communication until now. Moreover, face-to-face is the most commonly used medium in SGT because it is the most effective way of reaching their employees as well as customers. The reason behind it is also because they believe they get a closer and more personal contact with the persons involved.

4.2.2 Effective Internal Communication
There is a clear difference in SGT when communicating to the employees now in comparison to the past. The internal communication within the company is more frequent now than for a few years ago. There is always something that needs to be put aside, and in this case, internal communication has not been on top of the list in the past. The most important thing in SGT is to get the jobs done, that they are done in a correct manner, and that it becomes profitable. After that, issues inside the walls can be managed. Before Sandin was hired, Johansson did not have the time to manage the internal communication. Hence, now when a new vice president is hired, Sandin, they have more time to have meetings with the employees, which is very important for the company. The CEO as well as the vice president in SGT will have at least four workplace meetings with all employees every year and also co-worker discussions and conversations after the organizational change. The CEO and the vice president have currently meetings every Monday with the employees. However, SGT has a more effective communication today than in the past.

Furthermore, the employees in SGT feel more needed when the CEO and the vice president, for example, send out representatives from the company. The effect is that the employees become more positive to their work and work assignments. Education and training have also contributed to a better communication. The strategy that has been developed this year is to inform employees about what is happening locally. However, after their expansion in January it will be more difficult to know what is happening and eventual rumors that might arise. Therefore, it is very important to be rapid when it comes to inform the employees with relevant information about the company. The CEO and the vice president have also changed their way of working and their roles. They are working more outwards now than before, and for that reason, even more communication is needed to be able to tell all employees what is
happening in the organization. Because of their new strategy, the CEO and the vice president will always develop their internal communication to the better.

SGT has good internal communication at the present time. The CEO and the vice president are good at informing what is happening, both about the changes in the house, the new construction work, and organizational changes. Furthermore, it is not sure that everybody in the organization understands the need of the organizational change. However, good they may be on communicating internally, there are some people that absolutely do not understand it and are susceptible to it. This is based on Sandin’s 30 years of experience within the industry. Some people do not understand, although the changes are explained well, and it is mainly because they do not want to understand.

When Johansson bought SGT, he made a lot of changes relatively quickly, because the whole company was not profitable. During that time, the employees were very doubtful and after a year two heads of departments quit their jobs as well as one planning employee. This is because the employees are very firm with their work and their way of thinking, and that often makes them scared of changes. It has to do with different people, and some people are hard to change.

The CEO and the vice president of SGT have now introduced the employees about what probably will happen in the closest future, regarding the organizational change. However, they have not announced that it will happen since it is not yet really clear. The agreement is yet not written, but they will arrange meetings with the employees and explain the whole process after that is clear.

SGT has no specific strategy for communicating with the employees. The company has a lot of face-to-face conversations with their employees and believes that is the most important medium. The website is the next best communicator if it is done in a correct and professional way. The company has a plan to create a login function on the website for all the employees, because that would open up the possibility to inform everybody on a daily basis. Telephone is also an important tool in the communication. The CEO had one time an information sheet that was being sent out to all the employees on a monthly basis in connection to their salary. He informed, among others, daily information such as if any employee had a baby, some information from the heads of departments and feedback. However, these where often misinterpreted and wrongly taken by the employees. Therefore, the CEO did not succeed with giving out the intended message and they stopped doing it. Otherwise, both the CEO and the vice president think it is a good idea, but they have no future plans on continuing doing it. Everything takes time, and if they start doing something they need to have endurance; it is always easy to begin doing it but harder to continue doing it.

So far, there is no one that does not understand the need for the information given about the change. Everybody understands, and they have received good feedback about what is happening from all people around. Every employee is very positive and glad that things are happening. SGT has been attending in newspapers, television and radio, and this have been noticed in the company. The employees feel proud that the company they work for is being seen more. The company has had a bad reputation before but that is soon just a memory.

The employees did not positively take the last organizational change in 1999, when Johansson bought the company. According to the CEO and the vice president, the reason to it is classical; if a person has been working in an organization and thinks he/she does a good job,
and then all of a sudden a person from outside comes and tells them to do it in a complete new way. Some people accept it, but many others become skeptical and jealous. Furthermore, some people will never understand an organizational change according to the CEO and the vice president. However, one important thing between the management and employees is that management never runs over the ones below in the hierarchy. They are always positive to them and give them a chance.

Effective communication is when there are not many rumors within the organization, according to the vice president. It is the quantity and volume of rumors that reflect the communication in the company. Their strategy can be explained as following: if anything comes to the surface, it must be informed immediately and not tomorrow. It is important to know the gossip between the employees from a management perspective in SGT. It is also of great importance to know who get along, and it is wrong by management if they put together two people who do not manage to work together in a good manner. It is all about coaching and to know about their employees.

Moreover, all the employees in SGT do not have enough knowledge about the branch and the organization, and that it is almost impossible to reach a satisfying level. They guarantee that there are some people that, even if they have worked for the company in a couple of years, do not know what branch they find themselves in. The reason for this could be that all employees have work assignments that are separated from each other. However, all employees in SGT are aware of the actual organization.

The CEO and the vice president in SGT use various ways to inform the employees about the coming organizational change to make it clearer for each day. They use a lot of slogans. One of them is the four keywords; dare, want, grow and win. To dare is a salute word for the company, as well as their slogans: “one of the main players” and “have fun and make money”. These slogans will continue being an essential part in the company in the future as well.

Empowerment exists within the company. For example, now when they are rebuilding and changing their facilities, they always make sure that the employees are part of the decision making on how everything will look like. Since it is their area, and they know a lot about it, it is important for the CEO and the vice president that the employees address their viewpoints first of all. If the company will invest in a new machine, the employees working with those machines are deciding what kind of machine they will buy. At the present time, when they are rebuilding a new workshop, all the employees have had the possibility to decide the layout, such as where the machines will be and how many microwaves they need in the dining room. It is a prerequisite in order to feel involvement; otherwise the company will not work. It is very important and it also facilitates communication to a certain extent according to the CEO and the vice president.

The CEO and the vice president within SGT customize the communication depending on whom they talk to. They need to consider that people are different and therefore handle the differently, and this is what they call leadership. It important to give the employees feedback on their work, and they do it every day to make the employees feel needed and a being an important part of the organization according to the CEO and the vice president.
4.2.3 Effective External Communication

SGT has very good contact with their customers. They are down on, as the CEO and the vice president in SGT call it, a "you-and-me" level, and not on a "you-and-us" level (See Figure 4.5). The reason behind it is because they have different contacts; the CEO and the vice president have different contacts, which give them a more personal and closer contact. They have developed long-term relationships with their customers based on trust. It can, for example, take 10 seconds to get down to "you-and-me" level, or maybe one year, or even up to 10 years.

![Diagram over Customer Relationships](image)

Figure 4.5: Diagram over Customer Relationships
Source: Company Document

SGT has no specific strategy when communicating with their customers. However, personal visits to their customers are the most effective way and what they use most (face-to-face). According to the CEO and the vice president, it cannot be compared with telephone since they cannot see the body language and various expressions. When it comes to external communication they both have their own network, which they work towards. Nonetheless, this is not written down in a plan but it is in their heads. They have a slogan connected to the previous way of thinking, which is "the right man on the right spot". Sandin has his own customers and the same goes to Johansson.

The vice president in the new company, SPT, will be local, and that is also the prerequisite for making it work. According to the vice president in SGT, if you are going to bake a cake, you have to have all ingredients to make it work. The customer is a part of the cake as well as local entrepreneur, while the whole cake is Kramfors. Their strategy is heart versus brain; do the job but think strategically and respect people for who they are and their knowledge. The vice president for the future SPT is going to be local since he already knows the region, he has already an imprint there and also contacts around the area. Due to this, it is possible to save a couple of years in terms of time. This will contribute to start a successful SPT since the local vice president already has contacts with their potential customers; they have local entrepreneurs, and then their own customers of course.

The CEO and the vice president in SGT have about five to ten face-to-face customer-contacts every day, and they want to be even better at that point but it takes time, and time is money. They try to visit their customers often, eat lunch with them to build strong relationships.

It is very important for SGT to know what key persons outside the company really think and know about the company. They always get to know, in one way or another, if a customer is dissatisfied with their work so that SGT can repair it as soon as possible. It is of great
significance since they are down to “me-and-you” level, both for SGT and for the customer. It is all about feedback, whether it is good or bad. This is something that is working on a daily basis, and if the customers are dissatisfied with their work, of course SGT wants their customers to tell it to them with immediate action.

SGT does not believe that all customers are well aware of what their company is doing and what they will do. However, their bigger customers are more informed and well read about the company. SGT has, for example, technique meetings with Boliden where they discuss a lot about what they can improve and buy so that the customer gets more satisfied. It is all depending on how much the company has to do with its customers; how important they are for them. This is something the CEO and the vice president know, and based on their intuition they know how much energy they decide to put on each customer.

The company’s customers will probably have realistic expectations regarding the organizational change when it becomes official and when SGT is out with a press release. Their customers will understand that they are not high priority anymore, and this is a good way for the customers to start realize that the entrepreneurs are very important despite everything, and that everybody is needed and important according to the vice president. The relationship between the supplier and the customer should be based on trust and to respect each other’s competencies. It is important to not try to show off but to cooperate. Heart versus brain is involved here as well.

SGT has a good commercial success on their local market. They have attended to interviews in television, newspapers and radio about their expansion. SGT is also giving sponsorships to a lot of sports associations and such, and therefore works as a marketing tool. The company’s commercial success is helping to create awareness among their potential customers and increase the communication between them. It influences them in a positive manner since they can be seen and noticed every now and then. When they are dealing with projects and succeed, there are many people that find the company interesting, which is a common effect. Many customers seek themselves to companies where it is some kind of process going on and where a future can be seen, rather than just going in to a traditional firm. An important part is that a lot of things need to look good and professional to the existing employees and the ones looking for a job. It is all about image and first impression.

Internal processes and decisions are well synchronized with the external circumstances in the company. SGT is being quick and effective in informing about what is happening in the organization, and what is going to happen in the next few weeks.

SGT puts a lot of resources on the communication and to get the information to work well between all levels in the company. They put a lot of time on communication, and time is money. However, SGT does not put any resources on fancy brochures and papers because they do not need to have them since face-to-face communication is more important and common in the company. The most important thing is that the information reaches to everybody in time, and not the appearance. However, image has a certain meaning since it is possible to get another impression, but not as important. If SGT will start using more marketing material in the future, but it will only be used in order to strengthen their image.
5 DATA ANALYSIS

The previous chapter brought up the empirical data collected by the documentation and interviews. In this chapter, the collected data will be compared to previous research. We will reduce the data through making two within-case analyses, and thus organize the information. The data from the single-case is compared to the theoretical framework, in order to discover similarities and differences. Then, we will compare the two within-case analyses in a cross-case analysis. Conclusively, the data will be displayed in matrices to make it easier to finally draw and verify conclusions in the last chapter.

5.1 WITHIN-CASE ANALYSIS

In this first section the empirical data collected from Minelco and SGT that are presented in chapter four will be analyzed towards the previous research in chapter two. The analysis will be displayed in the order of the research questions.

5.1.1 Within-Case Analysis of Minelco

The Use of Communication

According to Klein (1996), a company can use several communication principles. Message redundancy is related to message retention. The use of several media is more effective than the use of just one, since it increases people’s memory of the message. This theory by Klein (1996) corresponds well with the way Minelco is communicating, hence through several mediums respectively. Minelco communicates through many mediums, such as Intranet, telephone, e-mail and also face-to-face whenever possible. Moreover, face-to-face communication is the preferred communication method in Minelco. Hence, this is in accordance to the theory by Klein (1996), which states that face-to-face communication has a greater impact than any other single medium.

According to Klein (1996), the supervisor is a key communicator; hence people expect to hear important, official sanctioned information from their immediate supervisor. This theory is not fully in accordance with Minelco, since the communication channel Intranet is the most important link in the company. The reason for this is, according to the production manager in Minelco (Kjell Nordmark), that the company is situated in so many different countries.

According to Byvelds (1997) and Klein (1996), communication goes through the following stages of change: unfreezing-, changing- and refreezing stage and it changes depending on what stage the company finds oneself into. The fact is that the organization in Minelco is changing constantly. Therefore, the company has already gone through the first two stages and is currently on the refreezing stage. The first unfreezing stage was when Minelco recognized the need for organizational change by identifying driving and resisting forces. In this stage Minelco is preparing the organization for the change. The management is the one who communicates to the employees. At the changing stage, the new organization was implemented. The company employed staffs that work as support directly beneath the CEO. These employees are responsible for the communication and marketing, and also the business development. Additionally, the countries were staffed with managers that are responsible for the specific division. Moreover, Minelco travels to the countries that need help with new systems and techniques. This, for the reason that they want to decrease uncertainty and counteract that rumours or other misinformation emerges. However, Minelco is currently in
the refreezing stage, since the change is recently done and the company is currently adapting the change in the organization continually as well as spreading the words to the employees. This modification can be seen as reinforcing new behavior and openness to feedback. Nonetheless, Minelco is therefore in accordance to theory, which claims that, in the refreezing stage, companies should adapt the change and publicize the success of the change. Minelco tries to rely on face-to-face communication as much as possible, although it is difficult since the company is situated across the whole world. As mentioned, the old version of the organization had one manager who was responsible for all the different divisions. The organizational change brought with that the company grew from 10 persons to approximately 450 persons. Consequently, it became hard for one CEO to take responsibility for all the divisions. For this reason, Minelco recognized the need for a change.

The information flow at Minelco is open and, because the company is a very flat organization with short lines between the levels. It is not hierarchical; instead people can communicate openly with everyone in the company, regardless of level. Furthermore, Minelco considers all employees to have fairly good knowledge about the change and they try to spread the word to the employees and publicizing the success of the change. Minelco addresses a lot of information about their “new” organization on their website. Accordingly, this corresponds well with the theories by Byvelds (1997) and Klein (1996).

Effective Internal Communication
The theory developed by Kitchen and Daly (2002) states that it is important for companies undergoing change to be focused on retaining an effective workforce and they need to think more now than in the past about how they communicate with employees. This in accordance to Minelco, because the way Minelco is communicating today differs from the way they used to communicate before the change. One of the main differences is that the company has to communicate to more people after the change, thus they have to be more efficient. Hence, the use of communication has developed significantly.

There is a good communication within Minelco, because almost everyone, regardless of level, understands the need for an organizational change, what the changes are and how it will impact on the business. Thereby, it corresponds quite well with the theory by Clarke and Manton (1997). Furthermore, Minelco tries to communicate efficiently, to increase the understanding of the commitment to change as well as to reduce eventual confusion and resistance to it. There can always be some divisions that do not accept the change fully, but as long as the results are positive and the company is successful, as it is presently, everyone is satisfied. The organizational change is accepted at least on managerial level. Hence, at least at the moment, there is no resistance to the change within the company. Thus, this corresponds well with the theory by Kitchen and Daly (2002), which states that if there are confusion and resistance to change, there is lack of understanding and internal communication.

According to DeWitt (2004), effective communication is a lot more than just giving people regular updates; it should be a strategy around the best medium for reaching everyone through mediums such as newsletters, e-mail and workshops should be developed. Minelco has a strategy when communicating with the employees. They also use different mediums, such as e-mail, website, the company database Visma, face-to-face, telephone, memo, newsletters and also net meetings and videoconferences. Furthermore, they also communicate regularly, thus it is in accordance with the theory by DeWitt (2004) stated earlier in the text.
Kitchen and Daly’s (2002) argue that effective communications means that managers must also take cognizance of what employees must know, should know and could know. Everyone within Minelco has enough knowledge about their work assignments, the industry and sundry work, hence what they must know. However, the knowledge can be improved. Anyway, since the organization is still so newly changed, everyone might not have enough knowledge about the organization even though they should. Conclusively, there is almost always gossip to some extent in a company, i.e. what employees could know, in the same size as Minelco’s. Nonetheless, since the organization is still so new, it is very important to speak out and inform everybody about it to decrease eventual rumors. In Minelco the managers are aware of these three factors. Accordingly, the data complies with the theory by Kitchen and Daly’s (2002) previous stated theory to a certain extent.

The employees in Minelco have planned meetings with the supervisor twice a year, in which the employee gets feedback on his work. Additionally, they have inspirational speeches whenever possible with the manager. Moreover, there is a slogan in Minelco that says “think global, act local”, which is the company vision. Furthermore, pictures and images are used in Minelco. In other words, the data corresponds quite well with the theory by Abraham et al. (1999), which states that effective communication is necessary in all phases of the change process. Leaders must use various approaches such as inspirational speech making and personal conversations with individuals, and group centered approaches such as the use of slogans, metaphors and images, which all have the effect of crystallizing a sense of purpose.

Edmonstone (1995) argues that to increase the value of the communication between the employees, management should empower employees to take charge in times of crisis. This is corresponds to Minelco since empowerment is usual in the company. The employees have the right to make decisions and there is a strong trust in them. As long as everyone takes his responsibility for the job, the employees can work quite openly in Minelco.

According to Barrett (2002), each business unit or division must tailor the important messages to its employees, so everyone understands it and can act upon. Minelco says that it is necessary to customize information to all employees; depending on which department the employees belong to. They further state that it is important that the employees get relevant and meaningful information. Therefore it is good to get to know the employees, since people are different and will perceive information differently. Accordingly, this is in accordance with the theory by Barrett (2002) about targeted messages. Moreover, communication is an important part of Minelco’s business strategy, since the company is situated over the whole world. Communication is placed on the agenda of meetings in Minelco. Thereby, it is part of integrated processes and hence in accordance with the previous stated theory by Barrett (2002).

Effective External Communication
DeWitt (2004) states that, in order to make the customer aware of the company, there are different types of external communication, which correspond to Minelco. Minelco has a very good contact with their customers. That is a succeeding factor for the company, since it is important for the company to build a relationship with their customers. Moreover, they use written-, oral- and online communication. However, to meet customers face-to-face is the absolute best alternative to get the customer interested in the products. Finally, they do not think that it is necessary for them to market themselves in media, such as TV, radio or newspapers, because of their type of industry.
Minelco has a strategy when communicating with their customers, which they consider having well contact with. That is a succeeding factor for the company. Minelco’s strategy is to keep their customer for at least a couple of years; therefore they try to conduct many years contract with their customers. The relationship is very important, and sometimes the company builds a relation with a customer many years before the actual purchase. Hence, this corresponds relatively well with the theory by Henderson and McAdam (2003), which claims argues that managers set up data gathering techniques and systems about their customers to spot the opportunities and constrains imposed upon the company.

Irving and Tourish (1994) propose a two-step model around which to build and develop strategy. This involves, first, determining what management would like to see as ideal public relations to the organization and, second, determining what key publics really think, feel and know about it. However, sometimes, external communication strategies need to be tailored to the requirements of specific groups, if they are to be effective (ibid). This theory corresponds well with the way Minelco is communicating externally. It is important for Minelco to know what their customers really think, feel and know about the company. They try to reach customer satisfaction. This is something that they actually measure through sending out questionnaires. Their most important customers get questionnaires about Minelco that they should answer. Minelco has been measured customer satisfaction for a long time, and in they will conduct statistics on this in the close future. In other words, the key public is really important for them. If customers are not satisfied with something, Minelco sees it as very important to attend the eventual faults. Minelco also tries to tailor make the communication so it fits the requirements of specific groups, because they find it necessary.

For the reason that Minelco’s customers are already aware of the company, they have realistic expectations about the company. Customer satisfaction is important for Minelco, and their customers are satisfied as long as they get their product in time and in the promised quality. This corresponds well with the theory by Lievens et al. (1999), which claims that companies must create awareness and realistic expectations among their potential customers. Minelco is also in accordance with the theory by Kaye’s (1995), which states that if the degree of commercial success is high, the external communication efforts are effective in creating awareness among potential customers. This, since Minelco is satisfied with the ways they are communication externally and have no intentions of changing their commercial success.

Kaye (1995) states that any organization needs information both about its own internal processes, in order to ensure effectiveness and efficiency, as well as to respond and adapt to the actions, attitudes and decisions of external agencies, such as governments, competitors and social groups. These types of information must be put together in a co-coordinated manner so that the actions and decisions of the organization can be matched closely to its external circumstances. Consequently, this complies to Minelco, since they are trying to synchronize internal processes with external conditions. For example, if the company has made some internal decisions, they have to go out with it externally.

The theory by Kaye (1995) states that firms devotes considerable costly resources to communications and information processing. This coincides with Minelco, which tends to put quite lot resources on communication. The company has employed staff that only works with the communication part. However, they do not consider it to be costly to put resources on communication, since it is necessary. It would be hard to communicate effectively on an international basis if there were lack in the external communication.
5.1.2 Within-Case Analysis of SGT AB

The Use of Communication

Klein’s (1996) theory, about the use of message redundancy: that more than one medium increases people’s memory of the message, also corresponds to the way SGT handles their communication to a certain extent. SGT uses mediums such as telephone, e-mail and website. However, their current website is irrelevant and needs to be updated. Other than that, CEO and vice president within the company believe that telephone is the next best medium to use and what they mostly use after face-to-face. E-mail is not so vital in the company, because they believe that they fail to see the personal contact through that medium. The company has a lot of face-to-face conversations with their employees and believes that it is the most important medium. In addition, SGT has nowadays been visible in newspapers, radio and television. However, that is not a marketing strategy from the company that they have worked on their selves. They have gotten offers from these mediums to take part and tell the surroundings about what they are currently doing. On the other hand, it makes the company more visible for people and therefore helps to increase people’s memory of the message.

Moreover, the CEO and the vice president of SGT consider that personal visits to their customers are the most effective way and that is what they use most often (face-to-face). The company will continue with their face-to-face communication during the stages of their organizational change. However, since they will become more employees on a wider geographical area, face-to-face communication will be much harder to apply to, but they will try to work on that issue. Conclusively, this is in accordance to Klein’s (1996) theory, which claims that face-to-face communication is one communication principle that has greater impact than any other single medium and that it is a powerful tool in a change.

SGT has no pronounced key communicator within the company. Though, the most essential persons in the company, when it comes to communicating both externally and internally, is Per-Anders Johansson and Martin Sandin (management), which work as direct supervision to the employees. They are therefore indirectly key communicators in the company. This corresponds to Klein’s (1996) theory which address that direct supervision is a form of organizational communication principle and is the use of a key communicator.

According to Byvelds (1997) and Klein (1996), there are three general stages of a communication strategy, unfreezing stage, changing stage, refreezing stage and the communication changes depending on what stage the company finds oneself into. SGT has recognized the need for change. The company is currently in both the unfreezing stage and the changing stage. SGT is currently planning the organizational change, which will begin in the first of January. The CEO and the vice president in SGT have therefore introduced the employees what the change will be and when it will take action. However, since the organizational change and expansion of the company is not firmed yet, the employees have not received all the information at this point. When the CEO and the vice president in SGT know for sure that the expansion is clear, they will arrange meetings with all employees and explain the whole process. SGT will rely on face-to-face communication, and the management will be the ones that communicate with the employees. Furthermore, the company has already started to rebuild their workshop and invest in new machines for the coming organizational change, and therefore they are also in the changing stage. This correlate well with Klein’s (1996) and Byvelds’s (1997) theories.
Effective Internal Communication

SGT is in accordance to Kitchen and Daly’s (2002) theory, which addresses that management within companies undergoing organizational changes needs to think more now than in the past about how they are communicating with their employees. The internal communication within the company is more frequent now than for a few years ago. More meetings and a more structure management role have been developed within SGT over the past year and will continue to enlarge. The reason behind why SGT has a more effective internal communication is, according to the CEO and the vice president of SGT, partly because of the relatively new employment of a vice president who has worked on developing a more structured management role. Moreover, the management within SGT will have at least four workplace meetings with all employees every year, and also co-worker discussions and conversations after the organizational change.

The CEO and the vice president consider that SGT has good internal communication but they are not sure that everybody in the organization understands the need of the organizational change. This is therefore not in accordance to Clarke and Manton’s (1997) theory, which claims that if a company has good communication, everyone in the company or organization at all levels understands the need for change, what the changes are and how it will impact in the business. However, since the CEO and the vice president in SGT have not yet informed all employees about the whole organizational change, as it is still not firm, they have not been able to see any reactions to it. Nevertheless, they have introduced the employees about the organizational change and the changes they have started to do so far, such as rebuilding of their workshop, have given only positive reactions and management has received good feedback from the employees. Though, the CEO and the vice president within SGT believe that how good they may be on communicating internally, there are always people that absolutely do not understand it and are susceptible to it.

So far, there is no resistance so far based on the information given about the change in SGT. Furthermore, since the company has good internal communication, it is in appliance to theory by Kitchen and Daly (2002), which addresses that if there are confusion and resistance to the organizational change, there is lack of understanding and internal communication.

SGT is not in compliance to DeWitt’s (2004) theory, which states that companies have a strategy around the best medium for reaching everyone in the organization. SGT has no specific strategy for communicating with the employees. However, the company has a lot of face-to-face conversations with their employees and believes that it is the most important medium. The CEO and the vice president in SGT consider the website to be the next best communicator if it is done in a good way. Telephone communication is frequently used in their communication between employees. SGT also uses the company website, memo and meetings. Furthermore, SGT communicates with their employees on a daily basis, which is in accordance to DeWitt’s (2004) theory, which claims that companies communicate regularly with the employees.

SGT is in accordance to Kitchen and Daly’s (2002) theory to a certain extent about managers must take cognizance of what employees must know, should know and could know in order to have effective communication. The CEO and the vice president in SGT believes that effective communication is when there are not many rumors within the organization, which is what the employees could know. It is the quantity and volume of rumors in SGT that reflect the communication within the company. The CEO and the vice president in SGT do not think that all employees have enough knowledge about the branch and the organization (i.e. what they
should know), and that it is almost impossible to reach a satisfying level. However, they consider it being highly important and are always working on that issue and the reason can be that all employees has work assignments that are separated from each other according to the CEO and the vice president of SGT. However, all employees in SGT are aware of the actual organization and know about their working assignments; in other words, what employees must know.

The CEO and the vice president in SGT uses various ways to inform the employees about the coming organizational, but the most common way is the use of a lot of slogans. The company uses, among others, four keywords: dare, want, grow and win, and slogans such as “one of the main players” and “have fun and make money”. These reflect SGT’s business concept and explain how they work and work as one of the milestones in the company. These will continue following the company through the organizational change as well. Moreover, management makes inspirational speech to the employees on a daily basis, as well as having conversations with the employees every day. They also consider themselves having a close contact and a good connection to all employees in the company, and their goal is to keep that close connection during the organizational change next year. Therefore, this is in accordance to Abraham et al’s (1998) theory which claims that leaders use various approaches to convey the vision and purpose during an organizational change, such as inspirational speech making, personal conversations, and group centered approaches.

SGT is in accordance to Edmonstone’s (1995) theory, which states that management that empowers their employees increases the value of the communication between the employees. Empowerment exists within the company. For example, now when they are rebuilding and changing their facilities, they always make sure that the employees are part of the decision-making on the appearance and layout of the new workshop. If the company will, for example, invest in a new machine, the employees working with those machines are deciding what kind of machine they will buy. Management in SGT considers it very important and that it also facilitates communication to a certain extent.

The CEO and the vice president within SGT customize the communication depending on whom they talk to. They need to consider that people are different and therefore handle the differently, and this is what they call leadership. This corresponds therefore to one of the components from the theory of Barrett (2002), which claims that messages in different words for different people are necessary and that information need to be tailored to the audience, in other words targeted messages. Furthermore, the communication is not a part in SGT’s business plan or business strategy since it only exists in the back of their heads. Therefore, it is not part of integrated processes, and does not correspond to Barrett (2002), which claims that communication should be an integrated process and therefore be a part of the business plan or business strategy.

Effective External Communication

According to DeWitt (2004) there are different types of external communication that a company can use to make customers aware of them. These are written communication, oral communication, online communication and television communication. SGT uses written-, oral- and online communication to their customers. However, written communication is not commonly used, even though it happens. They consider face-to-face communication to be the best choice to get customers aware of them. They are not using television communication; however they are marketing themselves through sponsorship. In other words, the way SGT is
communicating with their customers corresponds quite well with the theory by DeWitt (2004).

SGT has no specific strategy when communicating with their customers. However, personal visits to their customers are the most effective way and what they use most (face-to-face). Management thinks that it cannot be compared with telephone since they cannot see the body language and various expressions. Hence, this is not in accordance to Henderson and McAdam’s (2003) theory which claim that managers set up data gathering techniques and systems about their customers to spot the opportunities and constrains imposed upon the company. However, the CEO and the vice president in SGT have a future strategy when, for example, choosing the right manager in their new company. Management in the new company, SGT, will be local, and that is also the prerequisite for making it work since he already knows the region, he has already an imprint there and also contacts around the area, which will save a couple of years in terms of time.

SGT is in compliance to Irving and Tourish’s (1994) theory about organizations should determine what management would like to see as ideal public relations to the organization, and what key publics really think and feel about their company. It is very important for SGT to know what key persons outside the company really think and know about the company. The company always gets to know, in one way or another, if a customer is dissatisfied with their work so that SGT can repair it as soon as possible. It is of great importance since they are down to “me-and-you” level, both for SGT and for the customer. It is all about feedback, whether it is good or bad. This is something that is working on a daily basis, and if the customers are dissatisfied with their work, of course SGT wants their customers to tell it to them with immediate action.

SGT is in accordance to Lievens et al. (1999) theory to a certain extent, which address that information flows between the companies and its customers or potential customers have to create both awareness among potential users and realistic expectations. The company does not believe that all customers all well aware of them and what they are doing. However, it all depends on how involved they are with each other and how much SGT has to do with its customers; in other words, how important they are for each other. The more important customers for SGT, the more do they know about the SGT. Furthermore, SGT has, for example, technique meetings with Boliden where they discuss a lot about what they can improve and buy so that the customer gets more satisfied. Moreover, SGT’s customers have currently realistic expectations about the company and will probably have realistic expectations regarding the organizational change when it becomes official and when SGT is out with a press release. SGT stresses that the relationship between the supplier and the customer should be based on trust and respect to each other’s competencies. It is important to not try to show off but to cooperate. Heart versus brain is the strategy used. SGT is also in coheres with the theory by Kaye’s (1995), which states that if the degree of commercial success is high, the external communication efforts are effective in creating awareness among potential customers. This, since SGT is satisfied with the ways they are communication externally and have no intentions of changing their commercial success.

Kaye’s (1995) theory, which claims that internal processes and the external environment are put together in a co-coordinated manner so that actions and decisions of the organization are matched closely to its external circumstances, is in correlation to SGT. This because, the company is being quick and effective in informing about what is happening in the
organization, and what is going to happen in the next few weeks. Internal processes and decisions are well synchronized with the external circumstances in the company.

SGT correlates to Kaye’s (1995) theory to a certain extent, which states that companies devote considerable costly resources to communications and information processing. The company puts a lot of resources on the communication and to get the information to work well between all levels in the company. However, the resources are not put on something tangible, such as fancy brochures and papers, but in terms of time. SGT puts a lot of time on communication, and they claim that time is money. The CEO and the vice president in SGT argue that the company does not need to spend money and resources on brochures and such since face-to-face is more important and common in the company. The most important thing is that the information reaches everybody in time. However, image has a certain meaning since it is possible to get another impression, but not as important. If SGT will start using more marketing material, it will only be used to strengthen their image.

5.2 CROSS-CASE ANALYSIS

In this part of the analysis the two cases will be analyzed towards each other. Firstly, research question one will be analyzed across the two cases. Secondly, research question two and, finally, research question three will be analyzed across the cases.

5.2.1 The Use of Communication

Both companies had quite similar results when it comes to the communication principles. Minelco and SGT both correspond to theory because they are using many mediums to increase the memory of the respondent, of what is also called message redundancy. However, the difference is that Minelco uses several more communication mediums than SGT, which can be a distinctive factor. Face-to-face communication is the type of medium that both companies strive to mostly use. However, SGT uses more face-to-face communication than Minelco does at present time. Nonetheless, both companies are considering it to be the most effective medium, since it gives a closer and a more personal contact.

The term direct supervision is quite distinctive between the two companies. In Minelco, their supervisors do not always address important and official information to their employees. Intranet has somewhat significant role in the communication channel in the company and is the most important link to all the employees in Minelco. On the other hand, the vice president and the CEO in SGT are the most important persons when it comes to communication, and therefore work as key communicators. Additionally, in both Minelco and SGT, management is the primary communicator and both the companies strive for face-to-face communication; however, this is more easily be performed in SGT. The results are summarized in the Table 5.1 below.

Table 5.1: Communication Principles

<table>
<thead>
<tr>
<th>Communication Principles</th>
<th>Minelco</th>
<th>SGT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Message Redundancy</td>
<td>Yes</td>
<td>Yes; less medium used</td>
</tr>
<tr>
<td>Face-to-face communication</td>
<td>Yes</td>
<td>Yes; more frequently used</td>
</tr>
<tr>
<td>Direct supervision in form of a key communicator</td>
<td>No; key communicator does not fully work as direct supervision; intranet is more used</td>
<td>Yes; key communicator work as direct supervision</td>
</tr>
</tbody>
</table>
Regarding the communication during the different stages of change, Minelco and SGT are currently not in the same phase. Minelco has gone through the first two stages and are currently on the *refreezing stage*. SGT has not begun the organizational change yet, since the change will begin in the first of January. Therefore, they have not fully informed the employees yet; only given an introduction about what will happen. SGT is currently in both the *unfreezing* and the *changing stage* (see Table 5.2). However, both companies are in compliance with theory about how communication should be done in the three steps of change.

*Table 5.2: Stages of Organizational Change*

<table>
<thead>
<tr>
<th>Company</th>
<th>Unfreezing Stage</th>
<th>Changing Stage</th>
<th>Refreezing Stage</th>
</tr>
</thead>
</table>
| Minelco | • Recognized the need for change  
          • Readying the organization for the change  
          • Tries to rely on face-to-face communication  
          • Implementing the new organization  
          • Informing employees to reduce uncertainty and rumours  
          • Currently in this stage  
          • Adapting the change to get the organization to work  
          • Open information flow  
          • Tries to spread the word to the employees and publicize the success of the change | | |
| SGT | • Currently in this stage  
      • Recognized the need for change  
      • Readying the organization for the change  
      • Will rely on face-to-face communication  
      • Currently in this stage  
      • Not implementing the change yet | | |

### 5.2.2 Effective Internal Communication

Both SGT’s and Minelco’s way of communicating differ from how it used to be before the change. The internal communication within SGT is *more frequent now* than it was a few years ago, mostly since the company’s relatively new employment of a vice president. Minelco has to communicate to more people and has to communicate more efficiently within the company.

When it comes to the level of communication, a company has *good communication* if everyone in the company or organization, regardless of level, understand the need for change, what the changes are and how it will impact in the business. The communication is regarded as good in Minelco, for the reason that *everyone understands the change*. The communication in SGT is good so far. They have not informed the employees yet, since the change has not yet been fully applied. However, the production manager in SGT states that there are always some people those do not understand it and are susceptible to it. Also the production manager in Minelco states that some divisions might have negative opinions about the change; but everyone is satisfied at least outward speaking. Therefore, both companies consider themselves to have good internal communication event though they are still not sure that everybody understands the need for change.

Moreover, to increase the understanding of the commitment to change as well as to reduce confusion and resistance to it, both companies tries to communicate efficiently. As mentioned, there is *no resistance* to the change within Minelco or SGT, hence everyone understands the
need for the information given about the change. The previous findings are visualized in Table 5.3 below.

Table 5.3: Internal Communication and Organizational Change

<table>
<thead>
<tr>
<th>Internal Communication</th>
<th>Minelco</th>
<th>SGT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of Communication</td>
<td>Good</td>
<td>Good</td>
</tr>
<tr>
<td>Understanding for the Change</td>
<td>Everyone in the organization</td>
<td>So far, everyone in the organization</td>
</tr>
<tr>
<td>Resistance to Change</td>
<td>None</td>
<td>None; but probably after the change</td>
</tr>
</tbody>
</table>

Regarding effective communication, both companies are giving their employees regular updates. However, Minelco has a defined strategy around the best medium for reaching everyone, while SGT has no specifically pronounced (see Table 5.4). Both companies are communicating regularly with the employees, although they may be using different mediums. However, SGT will start using more mediums after their organizational change.

The different types of medium that Minelco and SGT use are shown in Table 5.5 below. Only Minelco uses newsletters, however, both companies use e-mail. Both Minelco and SGT have websites, however, Minelco uses and update it more frequently and have an overall more extensive website. Further, only Minelco is using a company database. They use a database called Visma. Moreover, both Minelco and SGT use face-to-face interactions, meetings, memo and phone communication. The difference is that Minelco tends to most often use phone communication, while SGT relies more on face-to-face communication. Staff magazines, net meetings and videoconferences are only used in Minelco. In addition to the theories, Minelco is also using net meetings and videoconferences.

Table 5.4: Communication Strategy and Communication Regularity

<table>
<thead>
<tr>
<th></th>
<th>Minelco</th>
<th>SGT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy around the best medium used</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Management communicate regularly with the employees</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Table 5.5: Types of Internal Communication

<table>
<thead>
<tr>
<th>Types of Internal Communication</th>
<th>Minelco</th>
<th>SGT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newsletters</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Electronic mail</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Workshops</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Company websites</td>
<td>Yes</td>
<td>Yes; but not used much</td>
</tr>
<tr>
<td>Company databases</td>
<td>Yes (Visma)</td>
<td>No</td>
</tr>
<tr>
<td>Face-to-face interactions</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Meetings</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Phone communications</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Memo</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Staff magazines</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Net meetings</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Video conferences</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>
In SGT, all of the three knowledge-based areas are important, such as what employees *must*, *should* and *could know* (see Table 5.6). Management in SGT even stress that rumors, what employees *could know*, is of great importance since it reflects how well the communication is in the company. On the other hand, Minelco does not think rumors, and other things that employees *could know*, are of great significance. Minelco also addresses that there is almost always gossip to some extent in a company with the same size as Minelco’s. However, the managers in the company are aware of that, but do not consider it being that important. In Minelco, basically everyone is aware of the industry and the branch the employees are working within, but it could be improved in the company. Minelco continues stating that many employees do not have that knowledge yet because the organization is still so new. SGT thinks this is very important, but is not sure if everyone understands the organization and the branch, since they work with different work assignments. Both companies are of the opinion that it is essential to know what employees *must know*, since the company could not work if their employees did not know their own job assignments.

### Table 5.6: Important Knowledge of Employees

<table>
<thead>
<tr>
<th>Important knowledge of Employees</th>
<th>Minelco</th>
<th>SGT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Must know</td>
<td>Important</td>
<td>Important</td>
</tr>
<tr>
<td>Should know</td>
<td>Less important</td>
<td>Important</td>
</tr>
<tr>
<td>Could know</td>
<td>Not important</td>
<td>Important</td>
</tr>
</tbody>
</table>

Various approaches can be used to convey the vision and purpose during an organizational change, such as *inspirational speech making*, *personal conversations*, and *group-centered approaches*. Both Minelco and SGT are having inspirational speeches and personal conversations with the management. The management in SGT states that these occur on a daily basis, while the employees in Minelco have planned speeches twice a year, in which the employee gets feedback on his work. However, personal conversations happen more often than planned meetings. Moreover, SGT considers them having close contact and a good connection to all employees in the company. The company uses many slogans that reflect their business concept and explain how they work. Additionally, also Minelco considers having a good connection to the group, even though they are a larger company than SGT. Minelco’s slogan can also be seen as the company vision (see Table 5.7 below). Moreover, there is a slogan in Minelco that says “think global, act local”. Apparently, this can be seen as the company vision. Pictures and metaphors are both used in the two companies.

### Table 5.7: Various Approaches

<table>
<thead>
<tr>
<th>Approaches</th>
<th>Minelco</th>
<th>SGT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inspirational Speech making</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Personal intimate conversations</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Group centered</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

- **Slogan:**
  - Think global, act local

- **Metaphors and Pictures**

**Slogans:**
- Have fun – make money
- One of the main players

**Keywords:**
- Dare, want grow & win

**Metaphors and Pictures**
Both Minelco and SGT use empowerment within their organizations. However, Minelco has less empowerment in their company; because management applies empowerment only as long as everyone takes responsibility for the job. This can therefore harm other employees in the case that if one employee abuses the power, management can stop empowering their employees. In SGT, they always give the employees more than one chance if something goes wrong, and as a result of that, other employees may not be affected if one is mistaken.

SGT and Minelco are of the opinion that it is necessary to customize the messages and information to the employees depending on whom they are talking to. SGT calls this leadership; however, both companies consider this being rather obvious in order for a company to work. When it comes to integrated processes, there is a difference in how Minelco and SGT are applying communication in their business strategy. The production manager in Minelco states that communication is an important part of Minelco’s business strategy, and it is placed on the agenda of meetings, while SGT is not specifically applying it but they are aware of the importance of communication. The previous stated analysis can be shown below in Table 5.8.

<table>
<thead>
<tr>
<th>Internal Communication</th>
<th>Minelco</th>
<th>SGT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Targeted Messages</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Integrated Processes</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

5.2.3 Effective External Communication

Regarding different types of external communication, Minelco and SGT are using those shown below in Table 5.9 to their customers. Written communication is used in both companies; although it is not commonly used in SGT. Both companies find face-to-face communication to be the best solution when communicating with their customers. However, Minelco tends to use telephone communication to a greater extent. Moreover, online communication is also used in both Minelco and SGT but, as mentioned, Minelco’s website is more recent since it is regularly updated. Conclusively, none of the companies is using television communication to their customers.

<table>
<thead>
<tr>
<th>Types of External Communication</th>
<th>Minelco</th>
<th>SGT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Written communication</td>
<td>Yes</td>
<td>Yes, but not common</td>
</tr>
<tr>
<td>Oral communication (telephone, face-to-face)</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Online communications</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Television advertising</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

When it comes to specific strategies that managers set up to spot the opportunities and constrains about their customer, the companies tend to differ. Minelco has a strategy when communicating with their customers, hence to build relationships with their customers that will last many years. SGT has no specific strategy, although they rely on personal visits to their customer, since they find it to be the most effective way to communicate.

It is highly important for both Minelco and SGT to know key person’s thoughts and knowledge about their company. However, SGT believes that since they are down on a “me-and-you” level of communication, it is of great essence to always be there for the customers so that key persons develop a good image on the company. On the other hand, Minelco
believes that attendance to special faults will increase the satisfaction of the customer and therefore they are able to make key persons satisfied. Both Minelco and SGT believe that their customers are aware of their companies as well as realistic expectations about them. Customer satisfaction is something very essential for both companies. SGT pushes on the relationship between customer and supplier, while Minelco stresses to increase customer satisfaction by deliver their products in time with good quality. Both companies have good commercial success, and their external communication efforts are effective in creating awareness among potential customers.

Minelco and SGT are both considering matching their internal processes with the external environment in a fairly decent way. Minelco has hard to believe that they can communicate effectively internally if their external communication is bad, and if the company makes internal decisions, they have to pronounce it externally as well. Moreover, the management in SGT feels that the reason behind their synchronized internal- and external environment is because they are effective in terms of information handling; the company is quick to inform what is happening in the organization and what is going to happen in the next few weeks.

Both companies put a lot of resources on communication. However, Minelco has employees that work with these issues while SGT does not. In SGT, the management is taking care of the communication part and there are no tangible communication but face-to-face. In Minelco, face-to-face communication is not as common and they use more mediums to a wider extent; such as website and brochures; which is more resource demanding than face-to-face conversations. Nevertheless, both Minelco and SGT are of the opinion that the resources they put on communication are not costly. SGT puts a lot of resources in terms of time, while Minelco does not consider it costly because it is a necessary part of the organization. The information above is showed in Table 5.10 below.

Table 5.10: Resources put on External Communication

<table>
<thead>
<tr>
<th>External Communication</th>
<th>Minelco</th>
<th>SGT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costly</td>
<td>No; it is necessary</td>
<td>No</td>
</tr>
<tr>
<td>Resources put on external communication</td>
<td>A lot of resources in terms of money</td>
<td>A lot of resources in terms of time, because face-to-face is important; and time is money</td>
</tr>
</tbody>
</table>
CONCLUSIONS AND IMPLICATIONS

6 CONCLUSIONS AND IMPLICATIONS

This last chapter will first present a general discussion followed by the main findings and conclusions based on our research. The purpose of these conclusions is to answer our research questions. Each of these questions will be answered in different sections. Finally, implications for management, theory, and further research are presented.

As it was explained in the introductory chapter, communication is becoming more and more important, and for the reason that organizational changes are becoming frequent, companies start to put more resources on it. This motivated us to look further into this topic to see what companies do to make this organizational change as effective as possible. Through survey of different literatures, our initial understanding was confirmed that communication in a company is the main thing to consider during changes in the organization. Therefore, we decided to focus our study on communication and the factors involved. However, an organizational change in a company can vary quite a bit depending on what position the company is presently in, as well as the size of the company, just to mention a couple of the factors concerned. Moreover, the two companies involved in our case studies are in the same business area and branch. However, we have avoided eventual generalizations in this study just because of the limited number of companies interviewed (small sample). It would give a misleading result if we performed our research in making generality.

Nevertheless, the data from the two companies examined in this study, namely Minelco and SGT, can contribute to relevant and good knowledge in this research and we feel that the respondents, Kjell Nordmark, Martin Sandin and Per-Anders Johansson, were all very interested to this topic since their companies are going/has gone through a considerable organizational change. The fact that we went to Gällivare, where the two companies are situated, to conduct face-to-face interviews helped us to get a higher validity and to get a wider extent of information to this research. We feel that we have got a great deal of information and explanation to their organizational changes in a more wide-ranging way. Moreover, we had lunch with the management of SGT and they also showed us their whole business with the different departments and workshop, so we could get a better insight in the company, which provided us with a good base. Therefore, we felt that we gained plenty of good and relevant information for this study, together with what we have gained through our extensive literature study. We have been able to find theories matching our topic to a great extent, which we feel is a great contribution. Due to the previous stated reasons, the study has been very motivating from the beginning to the end. We thus hope to add dimensions to the reader’s knowledge.

6.1 HOW CAN THE USE OF COMMUNICATION IN AN ORGANIZATION UNDERGOING CHANGE BE DESCRIBED?

This study found that the use of communication is important. It is especially important in organizations undergoing change, thus both the companies Minelco and SGT. The companies are currently not in the same stage of organizational change, however, they go through similar phases. It can be assumed that the use of several mediums increases the memory of people. The both companies Minelco and SGT are aware of this fact and are currently using several forms of communication as repetition of the message. Moreover, Minelco uses more communication mediums than SGT, more specifically; apart from SGT the company also uses, for example, Intranet.
Both Minelco and SGT have recognized the need for change, readying the organization for the change and try to use face-to-face communication as much as possible. Therefore, companies tend to use face-to-face as a communication principle according to the two analyzed companies. After analyzing the cases, we found that SGT will be able to use face-to-face communication to a greater extent than Minelco. Mineleco strives to use this most effective medium of communication, although it is not always possible. However, companies tend to use several mediums to increase the people’s memory of a given message. We believe that this is a good choice, since repetition reminds one about the message and further people tend to attend differently to different mediums.

We found that face-to-face communication is easier to handle in a national company. In international companies, it is more expensive and harder to perform, since the distance between the involved divisions is much longer. Furthermore, the study found that the term direct supervision is quite distinctive between the two companies. The management in SGT works as a key communicator and hence directs supervision, while the supervisors in Minelco do not always address important and official information to their employees. Here, Intranet has a significant role as a communication channel, since it is the link to all the employees in the company.

As mentioned, Minelco and SGT are at this time in different phases of the organizational change. SGT is currently on the unfreezing stage and also at changing stage and will, in the close future, be informing their employees about the change to reduce uncertainty and rumors. This, since SGT has not implemented the change yet, while Minelco is currently adapting the change to get the organization to work efficiently; hence, being at the refreezing stage. The company tries to communicate openly and spread the word to the employees to publicize the success of the change.

From the previous discussion, we can conclude the following:

- Companies use several mediums when communicating in an organization.
- Face-to-face communication is the preferred and the most effective medium.
- Direct supervision can be used differently; the management is the key communicator in SGT, while the Intranet works as the key communicator in Minelco.
- The communication differs depending on which stage of change an organization is in.

6.2 HOW CAN EFFECTIVE INTERNAL COMMUNICATION IN AN ORGANIZATION UNDERGOING CHANGE BE DESCRIBED?

This study found that companies need to think more now than in the past about how they communicate with employees through what is called internal communication. Both companies are communicating more effectively now than they did before. Hence, Mineleco and SGT communicate in a more efficient way presently, and we think this is mainly because their earlier organizational changes and experiences have given them more knowledge about how to communicate internally. Furthermore, we believe that the expansion of the two companies and the change in personnel are both contributing factors to why the internal communication has developed to the better. We consider that innovative technology as well as the development of the society as a whole is a possible reason behind the previous stated
Conclusion. Moreover, an interesting factor is that more frequent meetings between the management and the employees in SGT have contributed to the more effective internal communication. Additionally, the employment of a new vice president has also increased the communication internally within the company. We consider these two previous stated reasons to be common rationales of the conclusion.

After analyzing the two companies, we found that both companies consider themselves having good internal communication. We believe the reason is that both companies empower their employees; the employees have more influence in their work. Hence, both companies are still not sure that everybody in the organization at all levels understands the need for organizational change, even if the larger parts of the employees have positive attitudes to it. We believe that it depends on how big the organization is. One of the companies is larger (Minelco) relatively one that is smaller (SGT), and this can be a deciding factor. A bigger company might not have the same close contact between the management and the employees as a smaller company has. On the other hand, a larger company has often more resources put on communication, which can solve that problem, but the close contact can still be hard to achieve. Another issue we believe is important to consider is what type of medium the company uses in their organization and between the employees. We believe that the more extensive use of face-to-face can contribute to a more effective internal communication, and this is dependent on how the contact is between the employees and the management.

We found that none in the organizations has resistance to the changes. The reason we think is an underlying factor for this statement is the fear of losing one’s own job. Employees are afraid to loose their current positions and might have their job on the line. Therefore, complete resistance might not be visible even if it the organizational change is not accepted fully. We also believe that the use of empowerment in both companies is a big reason for why there is no resistance to the organizational change. However, we see a clear difference between a resistance to change and having different meanings and complaints about it.

The study found that one of the companies has a specific strategy around the best medium for reaching everyone in the organization, whereas the other company has no acknowledged strategy. Conclusively, companies do not need to have a pronounced communication strategy in order for them to have good communication within the organization.

Moreover, one of the companies, SGT; tends to use a lot more face-to-face communication with their employees than Minelco, even though Minelco uses that medium quite a bit as well. Minelco relies more on telephone communication and Intranet. We consider that the reason is that Minelco is a bigger company than SGT and has many parts of their businesses abroad. Therefore, it is impossible to conduct face-to-face communication to a large extent when they reaching people in the organization. Minelco has a more widespread media activity than SGT, such as they use an own database, also called Intranet; their website is more developed and an important medium in the company; newsletters, staff magazines, net meetings and video conferences are frequently used. The previous types of medium are used in Minelco and not in SGT. We believe that the reason is that Minelco is an international company as well as a larger company and therefore needs to have a more developed communication strategy or plan to be able to reach everybody in the organization. SGT is only a national company that has offices in Gällivare and Luleå and can for that reason apply to more face-to-face communication. However, since SGT will expand after their organizational change, they will also work on developing a strategy for the best medium to reach everybody in the organization. Moreover, both companies communicate regularly with their employees and we
believe that this contributes to why there are good internal communication in both companies and also the reason to why there is no resistance to the organizational changes.

The research found that there is a difference between of what companies believe is important to know about their employees. It is of great significance to consider what the employees must know, such as their job assignments. We believe that this is the main reason behind it. Furthermore, it is also important to reflect on what the employees should know, such as knowledge about the branch and the organization. However, both companies are not sure that everyone in the organization has enough knowledge about the whole branch, and the reason is, in Minelco’s case, that the organization is still so new after the organizational change and needs to mature and give time to the employees to understand. In SGT’s case, the reason is that the employees are not having enough information because they are working with different assignments and might not focus on other areas. Conclusively, it is an important part in both companies since the employees are representatives for the company and all they stand for. We believe that it can be explained in the way that being an employee in the company, it is important to know about the branch and the organization the person is currently in, in order to have a positive and good image outwards.

The study found that gossip, what employees could know, is important to some extent. SGT thinks that it is central since it reflects the communication in the company, whereas Minelco is aware of it but they are of the opinion that there are always rumors existing to a certain extent in a company at their size. We believe that the reason is the fact that Minelco is a larger organization and gossip and rumors are spread more widely in comparison to a smaller organization like SGT. If there are a lot of rumors and gossip in a smaller organization, we believe it to be a bigger problem since there are fewer employees that need to work together and combine their forces together.

After analyzing the companies, many approaches are used to convey the vision and the purpose of the organizational change. Both companies use inspirational speeches, personal intimate conversations and slogans. However, they are not used as frequently in both companies. In SGT, speeches and personal contacts occur on a daily basis, and in Minelco they have planned speeches twice a year with their employees. We sense the reason behind it is because of the size of the organization and the possibilities and opportunities for management to meet their employees. Nonetheless, we believe that the company uses all of these approaches, because they are most commonly used and make it easier to reflect and spread their business vision and business concept further to the personnel.

Empowerment exists and is a vital part of organizations by the analyzed companies. We believe that the reason behind it is because the two companies have good internal communication, and when the communication is fine, more trust and confidence is developed among the employees. This also helps to create a closer contact between the management and the employees, since they rely on each other when making important decisions.

It is a matter of course to customize the information and messages to the employees depending on whom they are talking to in the analyzed companies. It is an obvious fact that needs to exist in order for a company to work, and SGT also calls it leadership. We also believe that it is an obvious detail in companies in order for them to work in a correct manner and since people are different.
The study found that there are differences when it comes to if the internal communication is part of an integrated process or not. Internal communication is a vital part of Minelco and SGT’s business strategies, but Minelco is doing it in a more structured manner while SGT is doing it more unconsciously. We believe that this also has to do with the size of the actual organization. It is not as important to have a well-developed communication strategy in a smaller company, since employees are often closer to each other in such organization.

Conclusively, to achieve effective internal communication, it is vital to know what kind of information is to be communicated, as it constitutes the base when determining whom the information is relevant for and how it is most suitable to communicate the information. Minelco as well as SGT have realized this issue, and although not referring to the communication in the same manner, the content of it is equivalent. Both companies rely on communicating with their employees to make them well prepared in order to perform well in their jobs. Besides these categories, Minelco moreover has employed staff that is working only with the communication and marketing part of the company. Due to the companies being in different stages of the organizational change, a conclusion can be made that the relevance of this category is strongly related to what situation the company finds itself in.

From the previous discussion, we can conclude the following:

- Companies need to think more now than in the past about how they communicate with employees and are communicating more efficient today.
- Good internal communication within a company might not mean that all in the organization understand the need for the organizational change.
- No resistance to organizational change is the result of good internal communication within the company.
- Companies do not necessarily need to have a specific strategy around the best medium for reaching everyone; it depends on the size of the company. However, face-to-face and telephone are the most frequently used mediums, as well as the most important mediums.
- It is important for managers to consider what employees must know and should know. The importance of what employees could know vary depending on the size of the organization.
- Slogans are the most frequently used approach to convey the vision and purpose of the organizational change.
- Companies customize the information to their employees depending on whom they talk to.
- Internal communication is not always a part of an integrated process.
6.3 HOW CAN EFFECTIVE EXTERNAL COMMUNICATION IN AN ORGANIZATION UNDERGOING CHANGE BE DESCRIBED?

This study found that it is important to consider the communication to the customers. Minelco and SGT are using several types of external communication to their customers. More specifically, written communication is used in both the companies, although it is not commonly used in SGT. Oral communication, including telephone and face-to-face, is used frequently in both the companies. Face-to-face communication to the customers is the best solution, and the companies strive to use it as much as possible. Anyway, Minelco tends to use telephone communication to a greater extent. We believe that the reason for this is the size of the company. It is easier for Minelco to use the telephone to get in touch with their customers, since they exist over the whole world. Moreover, online communication is also used in both companies, but not in the same manner since SGT is not updating their web site regularly. Minelco and SGT do not find television communication to be of great importance; instead they rely on the belief that their customers are already aware of them.

After analyzing the cases, it was found that Minelco and SGT do not have the same strategy to spot the opportunities and constrains about their customers. Minelco’s strategy is to build relationships with their customers that will last many years, while SGT relies on personal visits to their customers instead of using a specific strategy. Furthermore, the companies both consider it to be highly important to know what key persons think and know about their companies. SGT finds them to be on a “me-and-you” level of communication, hence the customer-supplier relationship is very important for customer satisfaction. Minelco strives for attendance to special faults to increase the satisfaction of the customer. One of the company’s goals is to deliver their products in time with good quality. The fact that SGT is a smaller company makes it easier for them to be on a more personal level of communication. It is easier for them to make customer visits, since they are not an international company and for this reason they have their customers on a closer distance than Minelco has. As mentioned earlier, both Minelco and SGT believe that their customers are aware of them.

A noticeable thing is that Minelco and SGT consider matching their internal processes with the external environment in a fairly decent way. Minelco has to have a good external communication to be able to communicate effectively internally; hence internal decisions have to be pronounced externally as well. SGT synchronizes the internal- and external environment because they are effective in terms of information handling.

Finally, both Minelco and SGT consider it to be necessary to put a lot of resources on communication. Minelco has employees that work with the communication issues, while SGT has not. Minelco is also using more mediums to a wider extent than SGT, such as web page and brochures. These are not as resource demanding as SGT’s use of face-to-face communication. However, SGT does not find it to be costly, although it is resources in terms of time. We found that a smaller national company tends to put more resources on time, in form of customer-visits, in comparison to a larger international company.

From the previous discussion, we can conclude the following:

- Several types of external communication should be used to be able to communicate efficiently to the customers.
A smaller national company has greater possibilities to use face-to-face communication with its customers in comparison to a larger international company.

A company should match its internal processes with its external environment.

Companies do not need to put costly resources on communication. A smaller national company put more resources on time, in form of customer-visits, than a larger international company.

6.4 IMPLICATIONS

In this final section we will give our final recommendations, and these will be based on our conclusions. Firstly, implications to the management of companies undergoing change are based on the findings in this thesis. Further, we will also give implications for theory and future research within our area of study.

6.4.1 Implications for Management
Some implications concerning management can be done by the previous study. These issues stated below can be useful when considering communication in organizations undergoing change.

- Managers should use several mediums when communicating. Repetition increases people’s memory.
- In the case of companies undergoing change, it is essential to have a good internal communication; however that does not mean that all in the organization understand the need for the change. Furthermore, the use of a specific communication strategy and types of mediums used depend on the size of the organizations.
- Our findings show that several types of external communication should be used to communicate effectively to the customers. Additionally, it is important for a company to match its internal processes with its external environment, and resources put on communication do not necessarily need to be costly, in terms of money, in order for a company to have good communication.

6.4.2 Implications for Theory
Our overall purpose with this research was to explore and ultimately gain a better understanding of the use of communication in organizations undergoing change. Previous research in the area of both internal and external communication provided theories and a base to build a theoretical framework for this study. This thesis described the role of communication in companies founded in Sweden. By drawing conclusions based on analyzes and previous research, we have begun to explain how the communication, including both internal and external, can be described.

6.4.3 Implications for Future Research
After performing this study some interesting research opportunities arouse within our research area. As more and more organizations are performing changes, the use of communication becomes important, thus to get an effective and successful change. As a result, this area of research would be interesting to study also in the future. Some suggestions of research opportunities are:
CONCLUSIONS AND IMPLICATIONS

- The same research can be performed in a quantitative study, and thus measure the qualitative conclusions of this study on a much larger random sample.

- For the reason that there is an enormous development within the field of information technology as an aid to effective communication, future research needs to be performed on a continuous basis, as the validity of facts today may not be true tomorrow.

- A good idea to do a more extensive research through performing interviews with the employees in both case-companies, this to see their point of view when it comes to the communication between the management and employees. The employees can provide a different perspective to the question and thus come up with a broader study. Moreover, by comparing companies undergoing changes in different areas of businesses, would have contributed to generalization, since certain businesses might have their own way to handle things.
REFERENCES


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Website of Svensk Gruvteknik AB: www.sgt.se

*Interviews*

Nordmark, Kjell, Production Manager at Minelco, Gällivare 2004, December 9 at 13,00 am.

Sandin, Martin and Johansson Per-Anders, CEO and Vice President at Svensk Gruvteknik AB, Gällivare 2004, December 9 at 10,00 am.
INTERVIEW GUIDE – ENGLISH VERSION

General Information

- Name of the company
- Name of the respondent
- Position of the respondent
- Field of business/branch
- Short description of the organization as well as customers
- Description of the organizational change (what it is, when it has/will be performed, how important it is for the company etc.)

Research Question 1 - How can the use of communication within an organization undergoing change be described?

1) Is communication an important/essential part in the strategy of the company?
2) Who is the key communicator in the company?
3) Does the company communicate differently during a change process?
4) Does the company have any intention of changing the way of communication in the close future?

Research Question 2 - How does an organization develop effective internal communication during an organizational change?

5) Do You see any difference between communicating with your employees now in relation to the past?
5a) If yes, are You communicating more effectively now than before or vise versa?
6) Do You consider to have good internal communication in Your company?
7) Does everyone in Your company or organization at all levels understand the need for change?
8) Does the company have a strategy around the best medium for reaching everyone?
9) Do You, as well as management, communicate regularly with Your employees?
10) Are there yet any confusion and resistance to the organizational change?
10a) If yes, what do You think is the reason behind it?
11) What is effective internal communication to You?

12) Do You consider that all employees have enough knowledge about the branch, the organization as well as work assignments?

13) Do You, or management within the company, use various approaches to convey the vision and crystallizing a sense of purpose during an organizational change?

14) Does empowerment exist in Your company? (Do You ally employees to take charge in times of crisis?) Explain why.

Research Question 3 - How does an organization develop effective external communication during an organizational change?

15) Do You consider the company having good contact with their customers?

16) Does the company have a specific strategy when communicating with its customers?

17) Is it important for Your company to know what key publics really think, feel and know about Your company? Explain why?

18) What is most important when it comes to the information flows between the companies and its customers or potential customers? Explain why.

19) Do You believe that the company’s customers have realistic expectations regarding the organizational change?

20) Do You consider having high degree of commercial success within your market?

19a) If yes, do You think it contributes to create awareness among potential customers and increase the communication between You and Your customers?

21) Does actions and decisions of the organization match closely to the company’s external circumstances?

22) Do You put a lot of resources to communications and information processing?

23) Do You consider it to be costly to put resources to communications and information processing?
INTERVJUGUIDE – SVENSK VERSION

Generell Information

- Namn på företaget

- Namn på respondent

- Respondents position i företaget

- Affärsområde/bransch

- Kort beskrivning av företagets organisation samt kunder

- Beskrivning av organisationsförändringen (vad den är, när den ägt/kommer att äga rum, hur viktig den är för företaget osv.)

Forskningsfråga 1 – Hur kan kommunikationen inom en organisation som genomgår en organisationsförändring beskrivas?

1) Är kommunikationen en viktig del i företagets strategi?

2) Vem är den viktigaste länken i företagets kommunikation (key communicator)?

3) Sker det någon förändring i kommunikationen under en organisationsförändring?

4) Har företaget några planer på att ändra sitt sätt att kommunicera på inom den närmsta tiden?

Forskningsfråga 2 – Hur utvecklar en organisation, som genomgår en organisationsförändring, effektiv intern kommunikation?

5) Ser Ni någon skillnad mellan kommunikationen till de anställda nu i jämförelse med hur det var för några år sedan?

5a) Om ja, kommunicerar Ni mer effektivt idag än förut, eller vise versa?

6) Anser Ni att det är bra intern kommunikation inom företaget?

7) Förstår alla i företaget, oavsett nivå, behovet av organisationsförändringen?

8) Har företaget en speciell strategi vid kommunikation med de anställda?

9) Kommunicerar Ni, och även ledningen, regelbundet med de anställda?

10) Finns det någon som sätter sig emot organisationsförändringen?

10a) Om ja, vad tror Ni är orsaken till det?
11) Vad är effektiv intern kommunikation för Er?

12) Anser Ni att de anställda har tillräckligt med kunskap om branschen, organisationen samt diverse arbetsuppgifter?

13) Använder Ni, samt ledningen, olika sätt till att förmedla förändringen inom företaget för att förmedla visionen och kristallisera syftet med organisationsförändringen?

14) Existerar ”empowerment” inom företaget; dvs. låter Ni anställda på olika nivåer ha inflytande och beslutsrätt? Förklara varför.

Forskningsfråga 3 – Hur utvecklar en organisation, som genomgår en organisationsförändring, effektiv *extern kommunikation*?

15) Har företaget bra kontakt med sina kunder?

16) Har företaget en speciell strategi vid kommunikation med sina kunder (skräftlig-, muntlig-, online- eller tv-kommunikation)?

17) Är det viktigt för Ert företag att veta vad nyckelpersoner utanför företaget verkligen tycker och känner till om Ert företag? Förklara varför.

18) Vad är viktigast när det gäller informationsflödena mellan företaget och dess kunder/potentiella kunder?

19) Tror Ni att företagets kunder har realistiska förväntningar gällande organisationsförändringen?

20) Anser Ni att företaget har en stor kommersiell framgång på sin marknad?

20a) Om ja, tror Ni att det i sin tur hjälper till att skapa medvetenhet hos potentiella kunder och att det ökar kommunikationen mellan företaget och Era kunder?

21) Är interna processer och beslut synkroniserade med de externa omständigheterna?

22) Lägger Ni mycket resurser på kommunikationen och för att få informationen att fungera bra mellan alla nivåer inom företaget?

23) Anser Ni att det är kostsamt att lägga resurser på kommunikationen och informationsflödena i företaget?