THE EFFECT OF INTERNAL BUSINESS COMMUNICATION ON THE CORPORATE IMAGE

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Abstract: *Since it is one of the most fundamental elements of establishing a relationship, effective communication is necessary in almost all professions. Business thrives on communication since it depends so heavily on relationships between diverse people. Any type of communication is always important to business. It increases a company's efficacy and efficiency and keeps the appropriate ratio of different strategies for projecting the ideal image. The two types of communication in business are internal and external. Communication between two organizations, as well as between a company and its clients, is referred to as external communication. Information exchange within a company is referred to as internal communication. It happens amongst co-workers as well as between employers and employees. Internal communication is therefore essential for connecting with employees, running the business, and improving the company's reputation. No matter how big or how profitable a business is, internal communication is crucial. It significantly affects an organisation's success, since effectively articulated strategies help enhance employee productivity, employee engagement and team collaboration. The open and transparent environment created by the communication process helps employees comprehend the company's objective and their individual role in achieving it. It guarantees excellent employee cooperation in achieving the shared objective. Good internal communication promotes exceptional staff engagement, which in turn increases corporate performance and ensures high levels of customer satisfaction. Internal corporate communication is essential for impacting daily operations, fostering cross-departmental relationships, and, most significantly, dismantling organizational silos. It aids in creating a united culture throughout the company to enable all employees to make the best judgments. Consequently, internal communication has an impact on a company's productivity, profitability, and overall brand image. It also influences both bosses and employees' morale. Thus, one must create a successful internal company communication plan to engage the workforce for greater production and pay attention to their worries and anxieties over their jobs. Therefore, the paper's main goal is to analyze internal communication tasks while concentrating on how they affect various areas of business performance. The paper is based on a critical analysis of the relevant literature, taking into account works that address the problem's practical aspect.*

Keywords: *communication; business communication; corporate image; internal branding;*

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1.Corporate Communication: Introduction

Communication's purpose is no longer a secret. Nevertheless, whether it is a matter of interpersonal or professional communication, we are unable to manage it in a way that will enable us to achieve our objectives. We typically listen to get criticism and we often make assumptions. To experience the maximum advantages in both the personal and professional arenas, we must incorporate outstanding communication into our daily activities.

Despite having different job names, corporate communications, corporate affairs, communications, and public relations all perform essentially the same tasks (Dolphin and Fan, 2000). The academic literature on communications frequently distinguishes between the terms above, circumscribing their remits to specific areas (see Van Riel, 1995; Balmer and Greyser, 2003). Practitioners tend to use these terms interchangeably. Healthy relationships between organizations and their stakeholders are achieved via the deployment of effective communication methods. If employed properly, these communication techniques are not 'simply' discrete activities that are unrelated to one another in any way. Every organization needs sound shared parameters on which to base its communication strategies in order to give such strategies cohesiveness. By doing this, the likelihood of misunderstanding and disinformation among the organization's audiences can be decreased.

Van Riel (1995:26) defines the term corporate communication as being "an instrument of management by means of which all consciously used forms of internal and external communication are harmonised as effectively and efficiently as possible, so as to create a favourable basis for relationships with groups, upon which the organisation is dependent." Van Riel outlines the precise goals of corporate communication and depicts it as a tool used by management to sculpt an organization's intentional communications with all of its stakeholders. Other forms of communication also significantly influence the relationship between an organization and its stakeholders (or publics), therefore it is crucial to draw attention to the deliberate character of corporate communication. He also uses the phrase "favourable relationships," which suggests a symbiotic link between the organization and its constituents. The differences and disparities between the parties must be eliminated or, at the very least, minimized for the connection to be advantageous to all parties.

2. Organizational Identity. Organizational Image

2.1. Organizational Identity

Albert and Whetten (1985) introduced the idea of organizational identity into the field of organization studies after adapting it from sociology and psychology. They contend that the phenomena of organizational identity arises whenever individuals inside an organization reflect on their own identities(e.g. who are we?"), jobs, and positions (e.g. "what business are we in?"), as well as their preferences and aspirations (e.g., "what do we want to be?"). Members may easily determine their organizational identity when their organizations are distinguishable and different from other organizations, which can be done by comparing their organizations to others and identifying prominent and distinctive qualities and features.

According to Trench and Waddington ,"[o]rganisational identity consists of the sum total of proactive, reactive and unintentional activities and messages of organisations." (Trench, Waddington, 2020:258)

The statement does not specifically include the unintended components, which make up a large portion of an organization's organizational identity. In actuality, the phrase only asserts that every organization has a corporate identity without defining what that term means. As organizations operate in a societal setting, this is the case. Even when an organization does nothing, a message is nevertheless sent. No matter how busy or passive the organization is, its stakeholders will nonetheless develop a perception of it.

Business identity was defined by Balmer (2001a) as "an umbrella label used to cover corporate personality, organizational identification and visual identity". The vast majority of corporate marketing ideas, including image and reputation, among others, are explained using this identity as a foundation (Balmer and Greyser, 2003). For instance, even though a corporation lacks the capacity to directly establish its public image, it can still have an impact on its formation by managing its corporate identity effectively (Dutton and Dukerich, 1991; Dowling, 1994; van Riel, 1995; Hooghiemstra, 2000; Karaosmanoglu and Melewar, 2006). These two ideas are strongly related, according to Karaosmanoglu and Melewar (2006), who believe that corporate image is created by the projection of all indications that contribute to the identity of the organization (Hatch and Schultz, 1997; Christensen and Askegaard, 2001). As a result, the notion of business identity has grown in importance (Melewar and Karaosmanoglu, 2006), and managing it is a crucial component of corporate strategy (Melewar et al., 2006).

There has been some ambiguity in the literature when defining this idea because writers frequently entangle it with other notions that are closely similar. The majority

of the time, these issues result from the variety of academics who have examined this business reality from many domains, such as organizational behavior, marketing, strategy, psychology, or corporate communications.

2.2. The Relation between Organizational Identity and Organizational Image

According to Boroș (2009), "[o]rganizational identity and image are the anima and persona of organizations, the basis of the interlink with internal and external stakeholders (members, clients, providers, competition etc.)." Therefore, it is easy to understand the significance and potential impact of image and reputation. Organizations feel compelled to change the perceptions that their various stakeholders have of them as a result. They employ organizational identity to do this. When the term "identity" was used for the first time in a corporate communications environment, authors specifically pointed to the visual components organizations employed to present themselves to their audiences. The primary component in this case was the organization's logo, which was a visual emblem created by the organization to express a variety of qualities it wanted its audiences to associate with the organization. Additionally, logos were meant to help audiences recognize and set out the organization from others. Organizations spend a lot of time and money on their logo, making sure it conveys the right message and, when necessary, adapting or changing it to fit changes in the environment (such as changes in cultural preferences) or changes in the organization itself.

There are many factors influencing how an organization's image is formed in the minds of customers, many of which it has little or little direct control over. By expanding on this notion, we can assert that every organization has an organizational identity, whether this identity is intended or not. Organizations represent and transmit messages to their many stakeholders just by being there, and it is these messages that shape how those stakeholders view the organization.

On the other hand, organizational image "as perceived by members of an organization is an aggregate of individual employees' perceptions of the organization based on their own experiences and judgments (perceived organizational identity) and outsiders' judgments about the organization (construed external image)." (Lee et al, 2023:53)

More than ever, internal communication is crucial. Employers must be deliberately and often updated with communications that are timely and understandable. High turnover is the price that businesses which do not communicate effectively with their workers pay.

3. Internal Business Communication

Developing a successful internal communication plan is the right approach to increase engagement, productivity, and teamwork at work as workplace communication is the way of the future. A company's success directly depends on the quality of internal communication, whether it is about expanding a small or large organization. Employee productivity, teamwork, experience, and ultimately employee engagement are all greatly impacted by the interaction with the employees. Internal communication (often referred to as IC) is the collective name for a set of procedures or instruments that facilitate efficient information exchange and teamwork within a company. Top management, middle management, and lower management all communicate internally. Making sure staff members are aware of the company's mission and share its values through open and honest communication is a great method to achieve this. Internal communications have a variety of effects on a company, including:

- Day-today operations
- Cross-departmental collaboration
- Strategic alignment within the company
- Leadership
- Employee motivation and productivity
- Customer service
- Innovation
- Employee experience
- Company culture
- Employee engagement
- Employee retention

Additionally, it is critical in destroying organizational silos, as it can be seen in Figure 1.
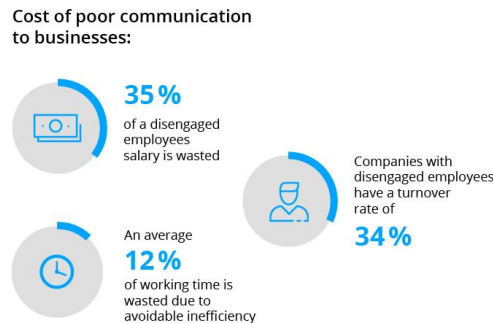

Figure 1: The Effects of Poor Business Communication to Businesses
Source: https://hbr.org/sponsored/2018/12/the-business-case-for-an-employee-communication-app

Effective communication is usually a two-way process that involves both sending and receiving messages. All organization members should engage in this process. Employees are aware of the company's mission and goals thanks to communication, which also helps to shape the company's distinctive culture. Internal communication can improve overall organizational efficiency if it is well managed. As a result, communication strategies should be carefully structured to address the information demands of employees and to facilitate information exchange between employees and managers.

The best and most efficient internal communication tool is face-to-face interaction. Although it does not require financial resources, it is not frequently used.

The primary reason for this circumstance is that managers are frequently under time pressure and do not want to spend a lot of time conversing with staff. Additionally, the majority of them are not big fans of this communication tool or the business is simply too big for them to effectively use face-to-face communication.

There are three crucial areas of interest for every internal communication program: hierarchical communication – a key role in the communication process is played by chief executive officers, vice presidents, directors, managers, and frontline supervisors; mass media communication – newsletters, e-mails, videos, blogs, and other vehicles to reach broad employees audiences; the informal networks of invisible communicators that exist in every organization. (Withworth, 2006:205)

When creating the framework for an internal communication program within the organization, all areas should be taken into account, with particular focus on the last one. An organized internal communication program aids in creating a culture of communication from which a firm will profit, particularly when educating the public about a significant internal change. If employees only receive information from reliable internal sources on a daily basis, they will turn to the same sources when things change. As a result, these media will become the most reliable news sources, and they will also help to prepare and support their staff during periods of significant change and uncertainty. (Gillis, 2006:259)

Every company has informal communication in addition to formal communication. The employees typically cite this as the most trustworthy information flow channel. Informal communication has a good impact on employees' creativity and is supported by organizations with strong corporate cultures built on open, two-way communication and trust. On the other hand, informal communication can exacerbate unfavorable relations between departments, employees, and their supervisors, which reduces job efficiency, if there is an unclear information flow or the improper climate in the business.

3.1. The Stakeholders – The Creators of Corporate Image

Corporate image is the company's standing among the numerous target markets that are significant to it. Stakeholders are the various organizations that have an interest in the business. Stakeholders are impacted by the firm's decisions, and the corporation is also impacted by stakeholder decisions. Consequently, the corporation values how it appears to its stakeholders. Customers, distributors and retailers, financial institutions and analysts, shareholders, governmental regulatory agencies, social action organizations, the general public, and staff are the main stakeholders that most large firms must consider. The perception that stakeholders have of the business will affect their decision to support it or not. As a result, if consumers have a bad impression of a business or its goods, sales and earnings will undoubtedly suffer.

Another significant group of stakeholders is the government regulatory authorities, which are mandated by law to monitor and control businesses for particular, clearly stated objectives. However, these organizations have a lot of latitude in how they interpret and administer the law. They are probably lot less censorious when they have a favorable opinion of the company. Since each stakeholder group is primarily focused on a different aspect of the corporation's operations, it stands to reason that each group will likely have a slightly different impression of the company. Customers are therefore primarily concerned with the cost, level of quality, and dependability of the company's goods and services. The financial structure and performance are important to financial institutions. The key issues that affect employees are pay, working environment, and personnel policies. Therefore, it makes sense that a business would customize its communications to each stakeholder group specifically in order to address their unique problems.

In the same time, the most effective way for knowledge to move from within a corporation to the outside world is through its employees. They represent the organization in the outside world, so they must be well-equipped to carry out this responsibility. As opinion leaders in various groups (such as families, sports teams, and the local community), employees frequently have an impact on potential clients for businesses. The organization's internal image is created by the people working there. If it is good, staff members actively identify with a company, are content with their jobs, and perform better.

4. In conclusion

Corporate identity, corporate communication, corporate image, and feedback are the key factors in maintaining company image. Corporate identity is what makes a firm

what it is—its distinct personality that sets it apart from competing businesses. The collection of sources, messages, and media used by an organization to communicate its distinctiveness or brand to its diverse audiences is known as corporate communication. The perception that various audiences have of the company as a whole is known as its corporate image. The goal of managing corporate image is to convey the identity of the company to the audiences or constituencies that are significant to the business in a way that helps them form and maintain a positive opinion of it. In order to ensure that the message is received favourably, this process include creating a positive identity, presenting this identity to important audiences, and getting feedback from those audiences. Modifying corporate communication, changing the business identity, or both can help to improve a poor image.

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