

Evaluating the Internal Communications of the Triangle's 'Best Places to Work'

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Abstract

Fun. Creative. Engaging. These adjectives may come to mind when thinking of the best places to work. But what makes a company culture successful? This study evaluated internal communications in companies deemed "Best Places to Work" by the Triangle Business Journal and its influence on corporate culture. Interviews with five professionals from the "Best Places to Work" listing revealed a close connection between internal communications and corporate culture. The study found that providing an environment where open communication and feedback are encouraged reflects the corporate culture and aids in its development.

I. Introduction

Fun. Creative. Engaging. These adjectives may come to mind when thinking of the best places to work. But what makes a company culture that is fun, creative, and engaging? A Forbes study defines company culture as "something that is pre-existing in your company's genetic code; it's not something that employees bring with them" (Craig, 2014, p.1). Thus, company culture is a visible representation of what an organization is and "influences substantially more often all processes, relationships and results in a company" (Neagu & Nicula, 2012, p. 424).

One primary way of articulating and encouraging company culture is through internal communications. In its simplest form, internal communications represents employees' communicating with one another. Internal communications can also be a managerial function that allows individual members of teams to communicate effectively with one another. While this communication may take place on more traditional media, it may also be through newer platforms like social networking. Bennett, Owers, Pitt, and Tucker (2010) wrote that these new platforms may help to ensure that "team spirit and culture is maintained no matter where you are in the world" (p. 61). Moreover, internal communications, a subset of strategic communications, plays an integral role in defining an organization, no matter how large or widespread an organization.

This paper explored the role of internal communications in shaping the *Triangle Business Journal's* "Best Places to Work," a reflection of effective company culture. The study did evaluate various methods and tools used in internal communications to see what common connections can be drawn between those tools and award-winning management.

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II. Literature Review

Many prior studies examined the effect of company awards on corporate success, as well as the use of internal communications as a culture builder. This study looked at that existing body of research to evaluate the link between receiving an accolade for internal communications.

Company Awards and Prestige

No matter what their industry, companies are eligible to compete for awards, some more prestigious than others. As numerous studies illustrate, merely receiving a symbolic award is enough to motivate workers to improve their performance. Kosfeld and Neckermann (2011) found that award recipients improve productivity by about 12 percent, on average, after receiving an award. Fisher, Dauterive, and Barfield (2001) also found that winners of quality awards, such as the Malcolm Baldrige National Quality Award in the United States show greater returns in stock prices. Receiving recognition for a certain award seems to improve both internal and external outlooks for a company. Frey and Neckermann (2009) called attention to the economic effects of company awards, noting that accolades play such a large role because they “cater to the substantial human desire to be recognized by others” (Frey & Neckermann, 2009, p. 181). Thus, as more companies realize the benefits of receiving awards for recognition, the awards will continue to be more competitive.

Measuring Company Culture

A few key studies in the past 15 years (Flamholtz, 2001; Neagu & Nicula, 2012) have supported the belief that company culture is linked to financial success. Rather than comparing cross-functional data from a number of companies, Flamholtz (2001) looked closely at various departments within one company to see what effects culture had across all departments in that company. Using this method, Flamholtz found a “statistically significant relationship between culture and financial performance” (Flamholtz, 2001, p. 268). In addition to that link, Neagu and Nicula (2012) also found a relationship between culture and other facets of the workplace. Company culture, they said, “is relevant to any issue that seeks to ensure efficiency in the organization” (p. 424). Company culture can be linked to producing more than just purely financial results.

While studying the connection between company culture and job satisfaction, Lund (2003) looked closely at four different culture types. The first, market culture, emphasizes a goal-oriented environment and competition. The second, bureaucratic hierarchy culture, stresses stability and a formalized structure. A third culture, the adhocracy, emphasizes a dynamic and entrepreneurial environment. Finally, the fourth culture, clan, emphasizes loyalty and mentorship. Lund found that companies with either a clan or adhocracy culture elicited much higher levels of job satisfaction than the market and bureaucratic hierarchy cultures. Thus, companies that encourage “a strong sense of pride in fraternity and interdependence” are more likely to have happier employees than those that encourage independence and not collaboration (Lund, 2003, p. 229).

Internal Communications as a Culture Builder

To support and unify a company’s culture, effective internal communications is necessary. Ruck and Welch (2012) analyzed various audits of internal communications tools to see how researchers were evaluating internal communications. Finding that the communications reflect much more management-centric environments than employee-centric, they argued that “opportunities for employee voice can be significantly improved” in a different environment (Ruck & Welch, 2012, p. 301). Many of the current methods for evaluating the effectiveness of internal communication merely look at the content of the messaging and not its role in building relationships, fostering dialogue, and engaging the organization. Other studies have found that virtual internal communications techniques can help bridge that gap and foster relationships. For example, Bennett et al. (2010) found that social networking can help in “ensuring team spirit[,] and culture is maintained no matter where you are in the world” (2010, p. 139). Akkirman and Harris (2004) found that virtual office workers reported higher levels of satisfaction in personal feedback, communication climate, and relationships with supervisors, likely due to extra effort in networking with remote workers.

It is the responsibility of companies to take that extra step and employ internal communications for the benefit of employees, whether that is fostering relationships or providing more opportunities for collaboration. Business leaders have a key role in encouraging communication in their organizations. “Blogging lets you participate in communities you want to cultivate—whether it’s your employees, potential

employees, customers, or anyone else—and leverage your corporate culture competitively” (Napoli, 2006, p. 1). Thus, effective internal communication can also increase employees’ levels of trust in their executives by creating a more open and transparent company culture. Further, the marketplace of ideas theory can be applied to internal communications in the sense that in an open culture where the communication of ideas is not moderated or shut down, the best ideas will naturally rise to the top. Napoli (2006) found that this theory has been used more often in deregulatory contexts than pro-regulatory contexts, which suggests a movement toward more open forms of communications.

While many studies have looked at specific internal communications strategies, little research exists that establishes internal communications as a strategic method of communication that will help shape corporate culture. This study aimed to answer the following research questions regarding companies identified by the *Triangle Business Journal*:

RQ1: How do the level of monitoring, forms of dissemination, and ease of use play a role in internal communications in “Best Places to Work?”

RQ2: What qualities of effective internal communications are most influential in shaping “Best Places to Work?”

RQ3: How does internal communications influence corporate culture in the “Best Places to Work?”

III. Methods

Developed in 2003 by Quantum Research, the “Best Places to Work” survey seeks to recognize companies nationwide for hosting environments where people “simply love to work” (*Ultimate Guide*, 2015). The competition, segmenting companies by region, grants awards to winners based solely on employee responses to the survey for each region. Winners are published in that region’s publication partner and then are invited to a reception dinner. For the purpose of this study, the researcher looked at companies from the “Best Places to Work” in the Triangle, which covers the central North Carolina area.

To explore the link between internal communications and the corporate culture behind winners of the *Triangle Business Journal*’s “Best Places to Work” survey, a series of in-depth interviews were conducted with representatives from four different companies on the 2015 awards list. Each interview lasted between 30 and 60 minutes. This qualitative method was beneficial in generating a diverse set of opinions from companies in various industries in central North Carolina.

The sample was created by examining the list of current and past winners of the *Triangle Business Journal*’s “Best Places to Work” awards. The researcher made a list of companies that had been included at least twice in the past four years. From this list, the researcher selected companies from varying industries and sizes. Of the 12 companies contacted through this method, four participated in the study: three companies—Company B, Company C, and Company D—via telephone interview and Company E via email. The researcher also interviewed a representative from Company A, which had been awarded for the first time in the 2015 awards for comparison with the other four companies. (Companies were identified as “Company A, B, C, D and E” in the paper to keep the organizations anonymous.) The participants ranged in both experience level and time spent at their current company. One participant has been with her current employer for 1 year, three participants have been with their employer for 2-5 years, and one participant had been with his employer for 14 years. Three of the five participants currently occupy managerial roles. A moderator guide was created to facilitate the interview and focus on the above research questions (See Appendix).

Before the interviews began, participants summarized their positions and time with the current employer. These background answers provided personal information that impacted the individuals’ knowledge and familiarity with their company’s internal communication practices.

To answer RQ1, the participants were asked about the specific tools their companies used for internal communications. This conversation shed light on the methods in which the companies communicated internally, what employees used each tool, and why each tool was used.

Participants were asked to rate the ease of use for their internal communications methods as a whole on an 11-point scale, with 0 being impossible to use and 10 being extremely simple. Participants also discussed the level of moderation for the various tools of internal communications, and how comfortable

employees felt using them. The conversation then shifted to how these strategic communications were chosen and disseminated. Participants discussed what internal teams or individuals were involved in crafting internal communications and how often they distributed this messaging.

To evaluate RQ2, participants were asked to think about a specific instance where they believed their companies had employed effective internal communications strategies. To help prevent confidentiality problems, the participants were instructed not to share the details about the communication itself. Instead, they were asked to think about specific attributes of the communication that they felt made it successful. Participants were then asked to think about an example where internal communications wasn’t successful, and evaluate their reasoning behind that example in the same way.

To address RQ3, participants were asked to explain how internal communications shaped corporate culture, or vice versa. This gave insight into how the companies were using successful attributes associated with strategic communications and how that was connected to their company’s culture.

IV. Findings

After transcribing the interviews, the researcher coded the text for common themes, including open communication, dissemination, the ease of use of internal communications tools, characteristics of effective internal communications, and its influence on corporate culture. This section describes the findings in the same order.

Open Communication

While the internal communications tools varied from company to company, one consistent response across the board was the idea of open communication. When asked about the level of control exercised over their communications tools, participants described an environment with very little, if any, monitoring of communications vehicles. One participant, an employee at Company D, said that open communication was part of the company’s mission.

“I feel like people feel free . . . partly because our company is all about freedom of choice, and open source: Open decisions, open ability.”

Other participants agreed that open communication was a vital part of encouraging honest ideas and opinions. A participant from Company A emphasized the importance of providing employees with an outlet to provide constructive feedback.

“The ability and freedom to express your thoughts of improving our business is an overriding factor that ensures we give folks the forum and allow their voices to be heard.”

Respondents also noted that while their internal communications outlets are not moderated, it is up to the individual employees to choose whether or not to use them. A participant from Company B felt participating in open communications forums was a self-directed task, but one encouraged by the company.

“Any kind of feedback that you want to give at any employee level is definitely welcomed, and if people choose not to have input, then that’s their choice but it’s definitely always encouraged.”

Communications Dissemination

The selected companies varied in size from 17 employees to more than 50,000. As a result, some companies had specified communications teams that worked to send out internal communications to each member of the company, and others relied on themselves. While the people and groups behind the dissemination of these messages varied, the main form of dissemination remained fairly static across the board; all of the respondents cited email as the primary vehicle for internal communications messaging.

Participants also noted the distinction between interpersonal internal communications and company-focused internal communications. A respondent from Company C mentioned he sees a link between disseminating informal internal communications and fostering a bond among employees.

“So not even in a boastful way, but a lot of our employees will share personal situations with the office via email . . . those kinds of things go out to everyone. And it’s remarkable, the feedback, because when you send an email like that that’s not really work-specific to your coworkers, the reaction could be varied, obviously. But I think one of the reasons we have been successful with “Best Places to Work” for the last couple of years is that a lot of the folks really do care about each other here.”

While respondents agreed that interpersonal internal communication occurs frequently, they said that most company-focused internal communications are disseminated only on an as-needed basis. Participants said the frequency of this type of communications depends on the company’s activity in the news and the community. If a company is going through major changes, employees could see several emails each day. But if employees are just receiving an update on the state of the business, they might only receive an email once a month. Regardless of the frequency, participants agreed that the communications needed to be disseminated in a way that clearly articulates why the message is important. A participant from Company A pointed out the importance of disseminating company-focused internal communications in a digestible way to help employees understand the issues at hand, but still keep them engaged.

“Delivering information in a very concise and compact manner—with then a reference to other materials where folks can go at their leisure and really dig into the details—is a really efficient way to make sure that you reach your target audience and that they hear you. But you’re not keeping folks tied up for hours at a time trying to go through infinite details on a call.”

Ease of Use of Internal Communications Tools

Regarding the overall ease of use of their company’s internal communications tools as a whole, all participants assigned more than 7 points out of the maximum of 10 to their company’s tools, as shown in *Figure 1*. The participants said the simplicity of their tools allowed them to get their job done more efficiently. One participant from Company E referred to her company’s tools as “tried and true,” providing quick and reliable communications solutions.

The two respondents that gave the two lowest ratings mentioned different tools individuals and groups have adopted. These respondents from the two largest companies in the sample noticed that the

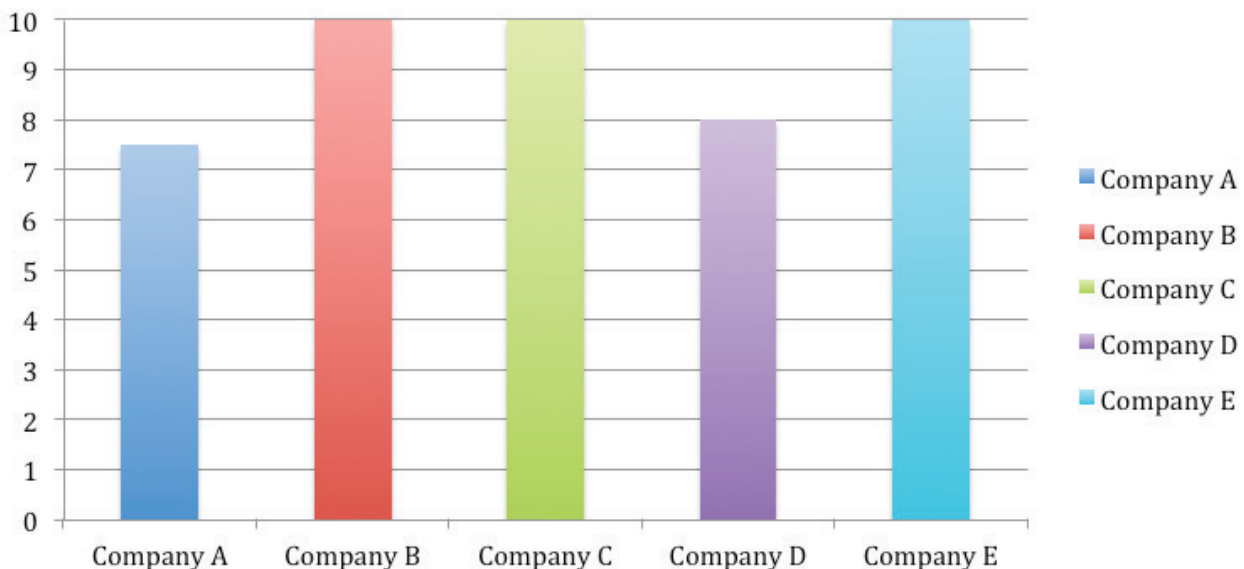


Figure 1. Internal Communications Tooling Ease of Use Rating (0 to 10)

diversity in both age and corporate function of employees affected what tools they chose to use. For example, the representative from Company A mentioned that generation gaps affect the types of tools associates use and become more comfortable with.

“I think the tools are very easy, but I think if you were to look at survey results in terms of communications, and we do that, you can see differences in the generations of employees. So you’ll see that certain generations prefer certain types of communications or a certain tool, and other generations like another delivery method.”

The representative from Company D mentioned that corporate teams often choose different tools to accomplish the same task, which presents a problem of setting up a new tool for some teams. The tools themselves are easy to use, but setting up tools isn’t always so.

“Once we get into the tools they’re fairly intuitive and easy to use, but it’s just figuring out how to get set up, that’s a challenge.”

Despite the aforementioned challenges and having a larger set of tools than the smaller companies represented in the sample, the representatives from Company A and Company D both ranked the overall ease of internal communications tool use on the high end of the scale (giving a rating of 7.5 and 8.0 respectively).

Characteristics of Effective Internal Communications

When discussing examples of what they believed to be effective instances of internal communications, the participants pointed out that feedback is vital in internal communications. Two respondents viewed feedback as critical in crafting effective internal messages. Participants said feedback helped them to understand what their audience looks for in internal messaging and what methods of reaching them will be the most effective.

“The best laid plans and the biggest money that you can spend can all be wasted if you’re not delivering information to folks that either they need or they want, or it’s through some type of method or mechanism that they don’t use or embrace.”

Participants also mentioned that gathering feedback through communications is an integral part of keeping up with changes in the business world.

“You can’t fall in love with something. Something works well today; it may not work well next year, two years from now, five years from now. You need to continually gather that feedback and determine what is the best way to do this now.”

Internal communications plays a vital role in this process by ensuring that external messages align with the corporate culture. Participants noted that the opportunity to provide and communicate feedback internally helps make sure the company stays in line with its values and mission, even as it goes through these changes.

“If we’re in a situation where the core values aren’t being observed or followed, I think that feedback is really important to get things back on track.”

When discussing effective internal communications strategies, participants repeatedly referenced the importance of engaging the audience. Some participants suggested doing so by more interpersonal interactions, like face-to-face meetings and impromptu conversations. Two participants said that the location where a message is disseminated could even encourage or hinder engagement with that message.

“We actually have a couple spaces in the office that are really geared toward collaborating . . . a tall table that’s set aside that can accommodate 8 or 10 in a group to sit and talk.”

Another participant said that choosing a non-traditional location for the communication could engage the audience by providing them with a sense of novelty. For example, she said her company places tripods outside of elevators with communications messaging on them, but only does this twice a year.

“I really like that and I think it’s effective because of its timeliness and location, and because the rest of the year, there is nothing in that space . . . It doesn’t get lost in the shuffle of other communications or messages, because that space has literally nothing standing there.”

A participant from Company A agreed that communications evoking a sense of novelty can effectively engage the audience by providing an exception to normal, everyday communications methods. While the information itself may be nothing out of the ordinary, presenting it in a different way creates a more engaging experience. For example, he referenced a communications method employed by one of Company A’s executive vice presidents. Rather than sending out a whitepaper or even plain text monthly update, this executive created a video where he outlined the important information and provided additional resources for associates interested in engaging further with the content.

“If you just give them data, you just give them raw facts. It doesn’t clarify for the organization how important that is or why it’s important. So it’s certainly less powerful. That type of data dump, if you will, is certainly a less effective means of communication.”

Influencing Corporate Culture

The participants all agreed that internal communications maintains a close relationship with corporate culture, but they had various opinions about which influenced and shaped the other. Some of the respondents felt that the culture shaped internal communications by providing a framework for those communications to abide by. One participant from Company B said, *“We really kind [of] have the philosophy that if what we’re doing doesn’t speak to the core values or the goals, then we’re not going to do it.”*

Other respondents had the sense that internal communications helped shaped the company culture. A participant from Company D believed that providing open outlets of communication enabled employees to participate and contribute to the culture in ways they might not otherwise be able to. She offered an example where employees became increasingly vocal about the soft drink selection in the office, and started a long email chain about it internally, which ultimately resulted in a new office program by the facilities team.

“People were originally so vocal about the flavor [of drinks] they put in the cooler that it evolved to where our facilities team started a rotation of the top flavors, because people openly and collaboratively decided what they want. Now that’s drinks. That’s not technology, that’s not cloud computing, that’s not storage, that’s not any of those things. But that’s part of our culture. And the openness of communication is very uniquely accepted and revered actually in that environment.”

Whether the internal communications shaped corporate culture, vice versa, or the two evolved together, participants agreed there is certainly a close link between the two. Participants frequently referenced terms like “open,” “collaborative,” and “sharing” to describe both their corporate culture and communications methods. The participants all agreed that internal communications needs to effectively reflect a culture that is in line with the company’s mission and values. A representative from Company A added the importance of not stepping too far out of the bounds of corporate culture, especially when it is so open.

“The ability and freedom to express your thoughts of improving our business is an overriding factor that ensures we give folks the forum and allow their voice to be heard. But, keep this in mind. too. It is a workplace. We are a financial institution. By nature, most financial institutions are somewhat conservative, so there’s obviously pressure from precedent and just the organization and culture, to not go too far out of bounds from what you would come to know as [Company A’s] culture.”

V. Conclusion

This study looked at what factors influenced effective internal communications and the relationship between internal communications and corporate culture. According to the studies conducted by Bennett et al (2010); and Akkirman and Harris (2004), internal communications is closely linked to corporate culture, and this study reaffirms that finding. When prompted about monitoring communications, participants said they felt encouraged to speak openly via internal communications because their corporate culture supported honest exchanges. Participants agreed that formalized message dissemination was dependent on the structure of the company, but informal methods were acceptable for all. According to the study by Bennett et al. (2010), even informal communications helps shape and maintain a team or company’s culture. All participants in the study also agreed that the ease of use for internal communications tools was high, and reflected a collaborative work environment where feedback was encouraged. Likewise, Akkirman and Harris (2004) found that feedback and a positive communication climate was crucial in improving the job satisfaction for virtual office.

Although the participants cited a few different characteristics of effective internal communications, all agreed open communication that encouraged participation from a variety of perspectives was a key to success. Ruck and Welch (2012) wrote, “Traditional approaches to assessment [of internal communications] are themselves becoming outdated. They emphasize volume and channels rather than content and dialogue.” Those findings support the results of this study, which illustrates how important open dialogue is in effective internal communication. Additionally, participants believed that encouraging and involving feedback in internal communications was “critical.” Asif and Sargeant (2000) pointed out that internal communications is not linear, but iterative, evolving “in response to feedback from the target audience.” Participants in the study echoed this thought, mentioning how feedback helps their companies understand what their audiences are looking for from internal communications.

Finally, while there was no consensus among participants as to which influenced the other, all participants agreed that internal communications was tied closely to corporate culture. Neagu and Nicula (2012) wrote, “The main objective in terms of culture is the development of consistency and defense of values.” Participants in this study reiterated that finding, explaining that internal communications was one way to consistently reflect corporate culture. Participants also highlighted the importance of making sure internal communications was strategic and aligned with the values of the organization. If the two aren’t aligned, participants said, then the communication should not be disseminated because it would not be an accurate representation of the corporate culture.

This study found a key commonality across companies included in the “Best Places to Work” listing: Open and free-flowing communication that encourages audience feedback and participation. This finding aligns with previous studies that found a close link between internal communications and corporate culture, but provides new insight into what that link is.

Limitations and Further Research

While this study contains original research that analyzes best practices for internal communications and its relationship with corporate culture, more research needs to be done to corroborate the findings. This study looked specifically at successful organizations in the central North Carolina area, as determined by the *Triangle Business Journal*. By limiting the companies to this location, perspectives may be skewed toward homogeneity. The researcher of this study was also only able to speak with five companies, so achieving a larger representative sample may provide a more diverse set of responses.

Additional studies may also examine companies that have not achieved awards similar to the “Best Places to Work” recognition and compare their internal communications techniques with those of the companies listed in this study.

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