THE ROLE OF INTERNAL COMMUNICATION AUDIT IN SUPPORTING THE SUCCESS OF MERGER OF PROCESSES AND CHANGE MANAGEMENT

Jamal Ismail
Universitas Ary Ginanjar

Corresponding Authors:

jamalismail@esqbs.ac.id

Setiyo Hayati
Universitas Ary Ginanjar

Yusran Effendi
Universitas Ary Ginanjar

Isti Budhi Setiawati
Universitas Ary Ginanjar

LM Novrianto
Universitas Ary Ginanjar

Abstract*: The merger process in a company is often faced with complex internal communication challenges, especially in supporting change management. This study aims to analyze the role of internal communication audits in supporting the success of the merger process and organizational transformation. Using a literature approach and case studies, this study evaluates the effectiveness of internal communication, identifies communication barriers that arise, and provides recommendations for communication strategies based on audit results. The results of the study indicate that internal communication audits are able to map communication needs, identify information gaps, and formulate appropriate strategies to increase employee engagement. In addition, this audit helps build trust between management and employees through transparent and consistent communication. Thus, internal communication audits become an effective tool for managing organizational change, reducing resistance, and ensuring the success of merger implementation. This study provides theoretical contributions in the field of organizational communication and offers practical guidance for companies that are facing the merger process. The recommendations from this study are expected to be used to improve the quality of internal communication and support sustainable organizational transformation.*

Keywords*: Communication audit, Internal communication audit, merger process, change management, organizational communication, employee engagement.*

1. Introduction

One of the strategic actions businesses take to increase their competitiveness, open up new markets, or boost operational effectiveness is the merger process. Nevertheless, this process necessitates careful consideration of internal communication and human resource management in addition to financial and operational elements. How to communicate clearly, establish trust, and maintain employee engagement in the face

of uncertainty and change is one of the biggest problems in a merger. Inadequate internal communication frequently leads to opposition, misunderstandings, and even merger implementation failure.

The success of change management can be hampered by communication hurdles including unevenly distributed information, inconsistent messaging, or insufficient avenues for communication. Therefore, assessing the state of internal communication both before and throughout the merger process requires a methodical methodology. One tool for mapping the real communication situation in a business is an internal communication audit. In order to create the best communication plan, businesses can use this audit to determine employee communication needs, communication habits, and current barriers.

The purpose of this study is to investigate how internal communication audits contribute to the effectiveness of change management and merger processes. It is believed that by using audits to determine how effective internal communication is, businesses will be able to develop communication strategies that will not only address communication issues but also boost employee engagement, foster trust, and aid in the development of greater organizational synergy.

2. Methods

This study uses a literature review method to analyze the role of internal communication audits in supporting the success of the merger and management change process. This approach aims to collect, display, and synthesize findings from previous studies that are relevant to the topic. The data used in this study are secondary data in the form of: Scientific Journal Articles: National and international indexed journals that discuss internal communication, communication audits, change management, and organizational mergers. Academic Books: References from experts in the field of organizational communication, change management, and communication audits. Research Reports and Case Studies: Publications from companies or research institutions related to the implementation of internal communication audits in the merger process. Online Reputation Sources: Data from the official websites of institutions, organizations, or companies related to the research topic.

The data collection method used is by searching electronic databases where this search uses platforms such as Google Scholar, PubMed, Scopus, and ProQuest to find relevant articles. The second is by adjusting the search keywords, it uses keywords such as "internal communication audit", "change management", "merger process", "organizational communication strategy", and similar combinations. And the third is by means of a structured literature review, with which the search results can be mapped based on the main topic of the research, relevance, and methods used in the literature.

3. Literature Review

3.1. *Organizational Communication Theory*

Organizational communication is the process of delivering messages, exchanging information, and forming meaning that occurs within an organization. According to Pace and Faules (2006), organizational communication includes interactions between individuals in formal and informal structures to achieve common goals. In the context of a merger, organizational communication plays an important role in ensuring clear information flow, employee engagement, and building trust between management and employees.

3.2. Change Management Theory

According to Kotter (1996), the change management process includes eight steps, from creating urgency, building coalitions, to integrating change into organizational culture. Effective communication is a key element in each step, especially in providing clarity about the vision of change, overcoming resistance, and ensuring employee engagement. A communication audit can support this step by mapping existing communication conditions and providing recommendations for improvement.

3.3. Internal Communication Model

The internal communication model developed by Welch and Jackson (2007) divides internal communication into four dimensions:

1. Upward communication: Feedback from employees to management.
2. Downward communication: Delivery of information from management to employees.
3. Horizontal communication: Interaction between coworkers or divisions.
4. Diagonal communication: Communication across functions or departments.

This model is relevant to evaluate the effectiveness of internal communication during the merger process.

3.4. Communication Audit

A communication audit is a systematic method for collecting data on communication patterns within an organization. According to Goldhaber (1993), a communication audit aims to identify strengths, weaknesses, and barriers in the flow of internal communication. In the context of a merger, a communication audit helps identify communication gaps and becomes the basis for designing an effective change communication strategy.

3.5. Employee Engagement Theory

Kahn (1990) explains that employee engagement is achieved when individuals feel emotionally, physically, and cognitively connected to their work. In the merger process, employee engagement is essential to ensure a successful transition. Effective internal communication, based on audit results, can increase employee engagement by providing relevant information, opportunities to participate, and building a sense of ownership of the change.

3.6. Trust and Organizational Commitment

Mayer, Davis, and Schoorman (1995) suggest that trust in an organization is formed through the ability, integrity, and goodwill of management. In the merger process, transparent and consistent internal communication plays a role in building this trust. High trust will drive organizational commitment, which is a key factor in the success of change management.

4. Result

4.1. Analysis

Based on the results of the review of relevant literature and journals, this study found several key points related to the role of internal communication audits in supporting the merger process and change management:

1. Communication Needs Mapping: Internal communication audits are able to identify the specific needs of employees and management in the merger process. This includes the need for clear information, effective communication channels, and active involvement of all parties involved.
2. Identification of Communication Barriers: The main barriers to internal communication during a merger include:
    a. Lack of structured communication channels.
    b. Misalignment of messages between management and employees.
    c. Employee resistance to change due to lack of clarity of merger objectives.
3. Based Communication Strategy: Data collected through audits allows organizations to:
    a. Develop communication strategies that are appropriate to the context of change.
    b. Ensure consistency of messages delivered through various communication media.
    c. Reduce resistance by promoting transparency and participation.
4. Impact on Employee Engagement: Employee engagement increases when communication audits produce recommendations that are directly implemented by management. The results show a positive relationship between effective communication and employee engagement in the change process.
5. Increased Organizational Trust: Audit data-based communication can increase employee trust in management. This trust has an impact on commitment to change and the success of merger implementation.

4.2. Discussion

1. Relevance of Communication Audit in Merger: Internal communication audit is an important evaluation tool to understand the dynamics of communication in an organization during the merger process. Based on Goldhaber's theory (1993), this audit helps identify information gaps and propose relevant improvements.
2. Strategic Role in Change Management: The results of the study support Kotter's theory (1996) that effective communication is a key element in change management.

By utilizing communication audit, organizations can create urgency, build coalitions, and ensure the sustainability of change.

3. Long-Term Impact on the Organization: Communication designed based on audit results not only solves challenges during mergers but also strengthens internal synergy, improves work efficiency, and builds an organizational culture that is more adaptive to change.

4. Practical Implications: This study underscores the importance of integrating communication audits into change management strategies. With this approach, companies can:
   a. Increase employee engagement and trust.
   b. Reduce the risk of internal conflict.
   c. Achieve merger process success more effectively.

5. Limitations and Recommendations for Further Research: The literature used is mostly derived from case studies in large organizations, so it may be less relevant to small organizations. Future research can explore how communication audits are applied to different types of organizations and cultural contexts.

5. Conclusion

1. Role of Internal Communication Audit in Merger: Internal communication audit plays a vital role in understanding the dynamics of organizational communication during the merger process. This process is able to map communication needs, identify barriers, and provide data to develop an effective communication strategy.

2. Enhanced Employee Trust and Engagement: Communication audit enables management to build trust with employees through transparent and consistent communication. This increases employee engagement in the change process, which is a key element for successful organizational transformation.

3. Reduced Communication Barriers: Key barriers such as lack of structured communication channels, message inconsistencies, and employee resistance can be addressed with data from communication audit.

4. Strategic and Long-Term Implications: By leveraging audit results, organizations can not only manage change during mergers but also strengthen internal synergies, improve work efficiency, and build a more adaptive organizational culture.

5.1. Recommendations:

1. Implement Communication Audits Periodically: Organizations are advised to make communication audits part of their ongoing change management strategy, not just during the merger process.

2. Training and Education: Providing training to management and employees on the importance of effective communication during organizational change can reduce resistance and improve understanding of the purpose of the merger.

3. Future Study Diversification: Further research is expected to explore the application of communication audits in small organizations or with different cultural contexts to gain more diverse insights.

4. Technology and Communication Channel Enhancement: Organizations can consider using the latest communication technologies to support faster, more transparent, and interactive information flow during the merger process.

6.   Acknowledgement

7.   References

Aaker, D. A. (1996). Building Strong Brands. New York: Free Press.

Ashley, C., & Tuten, T. (2015). Creative Strategies in Social Media Marketing: An Exploratory Study of Branded Content. Journal of Interactive Advertising, 15(2), 112-126.

Barnes, N. G., & Mattson, E. (2010). The Current State of Social Media in Higher Education. The University of Massachusetts Dartmouth Center for Marketing Research.

Belch, G. E., & Belch, M. A. (2018). Advertising and Promotion: An Integrated Marketing Communications Perspective. New York: McGraw-Hill Education.

Chaffey, D., & Ellis-Chadwick, F. (2019). Digital Marketing. Harlow: Pearson Education Limited.

Deloitte. (2020). The role of communication in mergers and acquisitions. Retrieved from https://www.deloitte.com

Goldhaber, G. M. (1993). Organizational communication. McGraw-Hill.

Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. Academy of Management Journal, 33(4), 692–724.

Kaplan, A. M., & Haenlein, M. (2010). Users of the World, Unite! The Challenges and Opportunities of Social Media. Business Horizons, 53(1), 59-68.

Keller, K. L. (2009). Building Strong Brands in a Modern Marketing Communications Environment. Journal of Marketing Communications, 15(2-3), 139-155.

Kietzmann, J. H., Hermkens, K., McCarthy, I. P., & Silvestre, B. S. (2011). Social Media? Get Serious! Understanding the Functional Building Blocks of Social Media. Business Horizons, 54(3), 241-251.

Kitchen, P. J., & Daly, F. (2002). Internal communication during change management. Corporate Communications: An International Journal, 7(1), 46–53.

Kotter, J. P. (1996). Leading change. Harvard Business Review Press.

Mangold, W. G., & Faulds, D. J. (2009). Social Media: The New Hybrid Element of the Promotion Mix. Business Horizon, 52(4), 357-365.

Mayer, R. C., Davis, J. H., & Schoorman, F. D. (1995). An integrative model of organizational trust. Academy of Management Review, 20(3), 709–734.

McKinsey & Company. (2019). Change management during mergers: Building trust through effective communication. Retrieved from https://www.mckinsey.com

Pace, R. W., & Faules, D. F. (2006). Komunikasi organisasi: Strategi meningkatkan kinerja perusahaan. Bandung: Remaja Rosdakarya.

Pratama, R., & Kurniawan, A. (2020). The Role of Social Media in Higher Education: A Study on Brand Awareness. Jurnal Ilmu Komunikasi, 18(1), 45-56.

Rossiter, J. R., & Percy, L. (1997). Advertising and Promotion Management. New York: McGraw-Hill.

Welch, M., & Jackson, P. R. (2007). Rethinking internal communication: A stakeholder approach. Corporate Communications: An International Journal, 12(2), 177–198.

Wirtz, J., den Ambtman, A., Bondar, K., & Kleijnen, M. (2013). The Role of Business Model Components in the Digital Marketing Environment: A Conceptual Framework and Research Agenda. Journal of Interactive Marketing, 27(2), 155-166.