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INTERNAL COMMUNICATIONS IN  
PROJECT MANAGEMENT

– Case company X



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# INTERNAL COMMUNICATIONS IN PROJECT MANAGEMENT - CASE COMPANY X

Nowadays organizations have increasingly started to move to a project based working. Effective project management requires excellent teamwork, leadership and good systems. Above all successful project management requires excellent communication. Many organizations tend to put focus on on-time delivery, budget, quality and resources. However none of the above mentioned factors work without effective communication. In fact communication has claimed to be the glue holding the project together.

The communication happening inside the project team is called internal project communications. Project manager is the key holder for effective communications within the project team. He needs to be able to delegate tasks, motivate and involve the entire project team in a way that project can be completed successfully. Projects are usually tightly bound to strict budget, time schedule and quality. Even a smallest distortion or misunderstanding in communication can cause a failure of the entire project. Effective internal project communication is a sum of planned and organized communications.

This thesis was commissioned by international large enterprise. The purpose of the case study was to find out what is effective internal project communication from the project purchasing perspective. An online questionnaire was designed to find ways to improve the project communication between project purchasers and their key internal stakeholders in the organization.

The findings indicate that the case company's project engineers and project managers are generally satisfied with the current internal communication with purchasers and purchasers' contribution in the projects. However the results revealed that according to the respondents the biggest areas of improvement in project communication were large workloads of purchasers which often causes poor project communication. In addition the weak links in communication appeared to be too little technical knowledge and the meaning of face to face communication in projects.

## KEYWORDS:

Project management, project communication, internal communication

## SISÄINEN VIESTINTÄ PROJEKTINHALLINNASSA - CASE COMPANY X

Nykyään monet yritykset ovat enemmässä määrin alkaneet suosia projektityöskentelyä. Tehokas projektihallinta vaatii täydellistä tiimityöskentelyä, johtajuustaitoja ja toimivia systeemejä. Ennen kaikkea onnistunut projektihallinta vaatii täydellistä viestintää. Monet organisaatiot kiinnittävät huomiota toimituksiin, budjettiin, laatuun ja resursseihin. Nämä kaikki osa-alueet kuitenkin vaativat tehokasta projektiviestintää toimiakseen menestyksekkäästi. Viestinnän sanotaan olevan liima, joka pitää projektia kasassa.

Projektitiimin sisällä tapahtuvaa viestintää kutsutaan sisäiseksi projektiviestinnäksi. Projektipäällikkö on avainasemassa tehokkaan projektiviestinnän aikaansaamisessa projektitiimissä. Onnistuneen projektin edellytyksiin kuuluu, että projektipäällikkö pystyy delegoimaan tehtäviä, motivoimaan ja sitouttamaan koko projektitiimin projektiin. Projektit ovat tarkasti suunniteltuja ja sidottuja budjettiin, aikatauluihin ja laatuun. Pienikin virhe tai väärinymmärrys viestinnässä voi kustantaa projektille sen epäonnistumisen. Tehokas sisäinen projektiviestintä on suunnitellun ja organisoidun viestinnän tulos.

Opinnäytetyö toteutettiin toimeksiantona suurelle kansainväliselle yritykselle. Opinnäytetyön tarkoituksena oli selvittää mitä on tehokas viestintä projekteissa projektioistajien näkökulmasta katsottuna ja miten se voidaan saavuttaa. Tutkimuksen kohteena olivat case-yrityksen projektioistajat ja heidän viestintä projekteissa. Tutkimusmenetelmänä käytettiin sähköistä kyselylomaketta, jonka tarkoituksena oli löytää keinoja parantaa case-yrityksen viestintää projektioistajien ja heidän avainsidosryhmien välillä.

Tulokset osoittavat, että case-yrityksen projekti-insinöörit ja projektipäälliköt ovat pääosin tyytyväisiä nykyiseen oistajien kanssa käytävään viestintään ja oistajien työpanokseen projekteissa. Tulokset kuitenkin paljastivat, että oistajien projektiviestinnässä on kehitettävää. Sidosryhmät mainitsivat monia eri viestintähaasteita, joista päällimmäisiksi nousivat oistajien suuri työtehtävien määrä ja kasvokkain tapahtuvan viestinnän merkitys.

# CONTENT

<b>1 INTRODUCTION</b>	<b>7</b>
1.1 Research Background	7
1.2 Research Objectives	7
1.3 Research Motivation	8
1.4 Structure of the thesis	9
<b>2 LITERATURE REVIEW</b>	<b>9</b>
2.1 Communication	9
2.1.1 Åberg's pizza - the functions of corporate communications	12
2.1.2 Internal and External communication	13
2.1.3 Disturbances and Challenges of Communications	14
2.2 Project Management	15
2.2.1 Stakeholders in projects	16
2.2.2 Internal Stakeholders	17
2.2.3 Project communication management	18
2.2.4 Internal project communication	19
2.2.5 Project communication channels	20
2.2.6 Project communication tools	21
2.2.7 The Role of Project Manager	24
2.2.8 Communication in different project phases	25
2.2.9 Project Kick-Off meeting	26
2.2.10 Cost of Poor Communications in Project Management	27
<b>3 METHODOLOGY</b>	<b>29</b>
3.1 Background and case setting	29
3.2 Research purpose	29
3.3 Methods and Data Collection	30
3.4 Trustworthiness of the study	31
<b>4 DISCUSSION AND CONCLUSIONS</b>	<b>32</b>
4.1 Main findings and conclusion	32

4.1.1 How the employees see the current level of internal communication in the project teams?	32
4.1.2 What are seen as the strengths and weaknesses of communication by the stakeholders?	33
4.1.3 How the project purchasers can improve their communication with internal stakeholders?	35
4.1.4 Project purchasing communication template	40
4.2 Limitations of the study	40
4.3 Value of the study	41
4.4 Future research suggestions	41
<b>SOURCE MATERIAL</b>	<b>43</b>

## **APPENDICES**

Appendix 1. Letter of invitation

## **FIGURES**

Figure 1. Communication process (Kliem 2008, Effective communications for project managers) .....	10
Figure 2. Lines of communication. ....	19
Figure 3. Communication channels.....	21
Figure 4. Bad communication equals higher costs (Kliem, 2008) .....	28
Figure 5. Effective internal project communication – Case Company X. ....	35

## List of Abbreviations (OR) Symbols

PMI	Project Management Institute
PM	Project Manager
PE	Project Engineer
PO	Purchase Order
PR	Purchase Requisition
PMDR	Project Material Delivery Request
IDM	Integrated document management
SAP	System, Applications & Products in Data Processing

# 1 INTRODUCTION

## 1.1 Research Background

Communication happens everywhere. People learn to communicate already at young age and we are taught throughout our life how to communicate with friends, parents, work colleagues and clients. Communication is the foundation of all kind of human interaction and it is necessary condition for human life. Yet communication seems to be one of the most complicated and complex issue at workplaces, schools and in different societies (Juholin, 2006).

Every organization has common rules, channels and ways to reach the objectives the organization has set for the business. Communication is needed for the organization to be able to survive, people exchange ideas and communicate to achieve the common objectives. Organizational communication includes both communication and information. The meaning of informing is to inform both externally and internally about the matters concerning the organization. (Yhteisöviestinnän Opas, 2002)

The world today is full of technology and there is information and data available more than enough. The development is continuous and people have to adapt to the ever changing technology and new work tasks. These changes are also changing work places. Nowadays the job tasks and responsibilities are changed regularly and the organizations struggle to deliver correct job descriptions to employees. Project based working was created to ease these challenges and to provide a solution for the organization to keep up with the continuous development. Projects enables the employees to work with their full potential skills and knowledge. In project team all the team members have some special skills which are required to obtain the desirable project outcome. Successful project is a result of many factors and communication is one of them. Effective communication inform both internal and external members of project in a way that the communication flow is smooth and effective.

## 1.2 Research Objectives

Internal communication plays a vital role in a project based organization. The project team has been gathered together for a certain period of time to implement a project. This

requires excellent cooperation- and communication skills from the members of the project in order to succeed.

This study aims to explore the role of internal communications in project management. Internal communications in projects is usually defined as the communication happening inside the project team. The scope of this thesis is to research how communications work in project teams and what are the key factors of effective project team communication.

The empirical part of the thesis focuses on the internal communication in project organization. The object of this study is to accomplish a better understanding of what is the current state of internal communication in the case company between project purchasers and their key internal stakeholders. The study aims to find out an answer to question “What is effective internal project communication?” and aims to give knowledge and awareness to the case company of the challenges the project teams are facing in their daily internal project communications. The results of the study are used to draw up an internal project communication template for project purchasers to be able to serve the internal stakeholders better.

### 1.3 Research Motivation

Internal communications plays a big role in terms of employee satisfaction, effectiveness, success of the project and profitability of the business. However only recently companies have started to understand the real meaning of internal communication. Project organization brings a lot of challenges to internal communications: Project members can be gathered from different organizations; members can be globally dispersed which limits the use of communication channels; communication differs in different stages of the project and lack of common rules of communicating.

The author did her professional practical training for the company in 2014 being a part of the purchasing team. The duration of the training was over 6 months which gave her a good background knowledge for the research topic. During those months she worked as a project purchaser trainee and got to work with different teams and in different projects. In multinational company the team members were geographically dispersed both inside Finland and abroad which naturally made the project environment more challenging in terms of communication.



#### 1.4 Structure of the thesis

The thesis proceeds in following way. First chapter presents the research background, research objectives and motivation. Second chapter includes a literature review presenting the most important factors in project communications. The areas of interest are stakeholders in projects, project communication tools, project communication challenges and role of internal communications in project management. Chapter three presents the methodology used for the case study. Chapter four discusses the findings and aims to provide suggestions to improve the internal project communications in the case company. Furthermore chapter four discusses the value of the research and future research suggestions.

## 2 LITERATURE REVIEW

Chapter two focuses on the theoretical part of this thesis. It aims to provide a comprehensive background to the research and all the topics and theories are relevant to the case study. The themes of theoretical part take a closer look of communication, internal communication and furthermore internal communication in projects.

### 2.1 Communication

Communication is two-way process (figure 1) which requires two participants who encode (send) and code (receive) messages, information, news, ideas and feelings. In business world, communication is the key of operating and succeeding for all kind of organizations. Different departments, employees and levels of organizations communicate in order to make their business successful.

Communication does not include only personal discussion between people. Communication can flow through different communication tools like newspapers, radio, television, mobile phones, Internet and different network tools which enables the free information flow between people. In fact web based communication tools have increased their popularity. Internet has brought a new approach to communicating as it gives an opportunity to new kind of interaction (Juholin, 2006).

Nowadays businesses talk about organizational communication. Work community can be defined as “a group of people, common goal, resources, structure of communication and the possibility to realize individual goals and needs through the community”

(Yhteisöviestinnän Opas, 2002). Work organization is managed through communication. The meaning of organizational communication is to support the strategic goals of the organization by managing the communication process.

Traditionally communication is seen as a process with a start and end. This process includes many elements which are part of the process. These elements can be divided into sender, receiver, message, medium (channel), noise and feedback. In addition interaction and contexts are part of the process (Åberg, 2000). In order to improve the communication inside the organization, one must understand all the factors affecting communication.

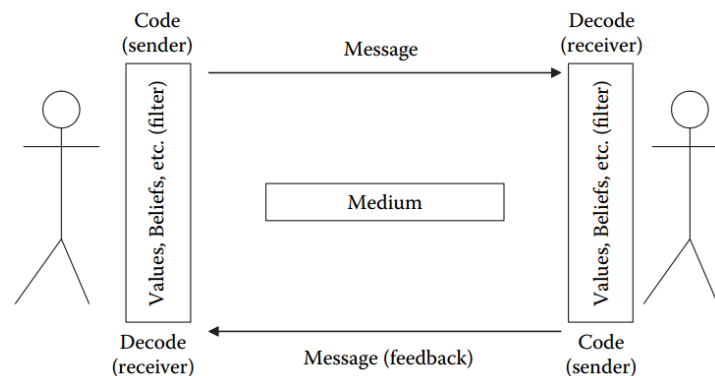


Figure 1. Communication process (Kliem 2008, *Effective communications for project managers*)

**Coding and Decoding:** The process starts when the sender has an idea, which he wants to transfer (encode) to the receiver. The receiver instead is receiving (decoding) the message. This process requires that the message is encoded in a language the receiver can understand and through a channel which enables the receiver to decode the message.

**Message:** The message is the key of communication process. Messages can be categorized depending on their form and meaning (Kliem 2008). Informational message aims to inform the receiver about the facts and data which helps the receiver to finish his task. Message can be also persuasive. The meaning of persuasive message is to help people to act. For instance project manager can use persuasive message to persuade the team members to adopt a new working method. Message can be also formal or informal meaning that formal messages are copied both hard and soft formats but

informal messages usually flow from mouth-to-mouth or are communicated through emails.

**Medium:** The communication channel used in the process is called medium. This corresponds to the communication channels used in coding the message to the receiver. Media includes several different options, for example face-to-face communications, telephone, voice mail, emails, internal online chats, and videoconferencing. The choice of channel used depends on various factors such as time, importance, custom, geography, content, quantity, formality or informality or perhaps even thinking style meaning that some people are for instance more visually orientated.

**Feedback:** The ultimate meaning of feedback is to assure that the message was correctly understood (decoded). Often the definition of feedback is complicated. According to Åberg (2000) normal conversation between two people includes no clear feedback and therefore it is hard to distinguish feedback from the actual communication. However if the receiver can encode back to the sender in a way the sender expected, the sender knows that the message went through correctly – he received feedback whether the message was encoded correctly.

**Noise:** *“Communication usually fails, except by accident”* (Wiio’s laws, 1978). Communicating is very prone to different kinds of noises and interferences. These interferences are blocking the communication between the sender and receiver and therefore decoding and encoding are not possible. There are many reasons for the interference: there is noise which blocks the message, language barriers, poor transmission technology, poor listening or for example understanding the message wrongly.

**Variables:** There are two basic variables which can affect coding/decoding the message. Belief and values are the most common variables in communication and can affect how the message is being sent or received. Different beliefs and values can change the meaning of the message entirely. Another factor affecting communication process is body language. This includes different actions such as gestures, eye movement and facial expressions.

### 2.1.1 Åberg's pizza - the functions of corporate communications

Communication pioneer Leif Åberg (2000) has defined five basic reasons what is the purpose of organizational communication and what are the main tasks of communication. These functions can be applied to project communication as well.

1. **The support of basic functions:** Communications is needed to be able to provide services and goods. Furthermore to transfer them to the customer. This is the most important form of communication, without this kind of operative communication the business will not exist. In projects communication rules can be divided to two. Firstly every organization has general rules which applies to all what is happening inside the organization (e.g. rules of using emails). Secondly projects have often setup own set of rules and guidelines for each project.
2. **Long-term profiling of organization:** Organizations want to build up their business image constantly so that the people and products or services have a good reputation. On other words the organization aims to build up a good image in the eyes of potential and existing customers and other important stakeholders. The life cycle of a project is quite short which is why profiling does not have much value in project organizations. The cost control of projects is usually strict and profiling is not seen as important operation since it only benefits the organization indirectly. The main purpose of profiling for project is to see how reliable image the project can give to its customer.
3. **Informing.** Communication is needed to inform about the organization's happenings for both organization's internal and external stakeholders. Project is usually not responsible for external informing – this tasks belongs to parent organization who takes care of the external informing. In fact it is beneficial for the project is to keep contact with the internal communication managers of the parent organization. This way the goals and content of the project can be known and decreases the critic against the project.
4. **Orientation.** The people working in the organization need to be familiarized to the company. This kind of communication is needed to connect the people together and create the feeling of community. The people working for the project are often used to work in quite stable organizations. They can easily feel uncomfortable when facing new ways of working, decision making and information structures. When project team members are selected, the

managers should pay attention to the team member's level of expertise as well as project know-how (Ruuska, 2012). Project manager draws an orientation plan in the beginning of the project. He finds out how much project work experience the employees have and draws up an orientation plan designed individually for each member of the project team. As any other work, also project work requires constant training and education for all the members of the organization.

5. **Socialization.** Communication is needed to fulfil the basic need of human – social interaction. The information needs to flow freely in the project in order to communicate effectively. The information flows in the most effective way when the communication happens through formal (email, news) and informal (networks) channels. Social interaction includes three different kind of close networks (lähiverkko): 1) personal network which means connections to people we know well (family, friend etc.), 2) connections to people which know distantly but communicate regularly with (work colleagues, neighbors etc.), 3) random networks, people we meet occasionally (a person in the train etc.). The messages go quickly via these networks and thereby the more important the message is, the faster it goes from person to person. The most important network in project organization is the network inside the project organization. The internal network conveys information both internally and externally in the organization. Project group consist of experts gathered from parent organization. They all have different ready networks and these networks need to be taken into account when planning and organizing the project as they can have a major effect on the operability of the project.

### 2.1.2 Internal and External communication

Communication can be divided into external and internal communication. External communication is often connected to words brand, image and reputation. External communication manages the messages and communication flow going outside of the organization. It is extremely important for a company to maintain the image and reputation among external stakeholders and people as these are the potential customers and basically the profit for the company. Since the target group is usually unknown and vast, the communication tools of external communication are mostly distant. Quite

unfortunately, project managers tend to put much more effort on external than internal communications.

Internal communication happens inside the company and includes the people, employees and managers working for the company. The meaning of internal communication for a company can be looked at three different angles. Firstly it connects the members of the organization together and can be included to the group of other maintenance costs of the organization. Secondly internal communication can be also seen as independent action with own responsibility areas and profit goals. Thirdly internal communication is often seen as inseparable part of leadership and its mission is to increase intellectual capital.

### 2.1.3 Disturbances and Challenges of Communications

Communication is always human interaction and therefore it is extremely prone to different kind of disturbances which creates challenges in terms of managing internal communication. Communication pioneer Osmo Wiio has mentioned four reasons why communication fails: barrier (*este*), deficiency (*kato*), noise (*kohina*) and distortion (*vääristymä*). *Barrier* means that the message has been blocked and it prevents receiving the message, for instance the mail will not reach the correct receiver due to the wrong address. *Deficiency* means that part of the message will disappear due to some disturbance of receiver. *Noise* happens when part of the message is lost due to some noise. *Distortion* instead means that the message is misunderstood. The risk of distortion increases in distant communicating when people need to rely on emailing and intranets.

In the academic publications, the researchers of internal communication pay attention to the role of the upper management. Some organizations, especially global large corporations, *hire communication professionals to do the internal communicating* (Kliem, 2008). However management need to be involved in communication in order to ensure the success of the business. Only the management has the extensive information of organizational matters and it is important that they take the responsibility of communication. Internal communications is one part of leadership and when used correctly, it can be one of the most effective tools of managing employees.

Another common challenge in internal communication is *keeping or hiding information* (Kliem, 2008). There are several examples when the organization chose to inform the goods news with big attention while ignoring the bad news. This can create a lot of

confusion and often when communication fails, the rumors replace it. In these situations so called grapevine effect starts and the employees start to talk. This grapevine effect kills effectiveness and ruins the atmosphere at workplace. The organizations ends up with situation where the employees gossip and lose valuable working time which instead is direct loss of money to the organization. Thus it is almost impossible to communicate the correct news after the rumors have gone through the entire organization (Kliem, 2008). Leif Åberg has a different perspective on grapevine effect. According to him grapevine effect is a better communication channel than its reputation. Grapevine effect works effectively among the project team members if the rumors are shared in small groups (Åberg, 2000).

Organizations tend to put effort on external communication rather than focusing on internal issues of the organization. Sometimes the result is that the external informing tells differently than what is really happening inside the organization. If the discrepancy between the internal and external communication is big, the credibility of the organization is suffering.

## 2.2 Project Management

Patel Vinod has defined project management in following way:

*“The discipline of organizing and managing resources in such a way that these resources deliver all the work required to complete a project within defined scope, time, and cost constraint is known as project management” (Vinod, 2008, p.1)*

A project is a one-time, temporary work which requires extremely careful planning and management in order to complete the project successfully. Scope, time, quality and budget are the key features of project management. A project has defined beginning and ending which makes it different from the traditional way of work. Customer defines the specifications and requirements for the project and therefore he needs to be able to specify the content of the project so precisely that the project manager can understand them completely correctly. Traditionally project work has five phases: initiation, planning, executing, monitoring and controlling, and closing (PMI.org). All these phases are important for the success of the project and communication is needed throughout the project life cycle.

There are many researches, professional journals and academic books of project management but very few of them actually talk about the meaning of communication in

the projects. However several project management professionals have admit that in fact communication is the heart of the project management and without effective communication the project cannot succeed. Communication plan helps the project manager in making correct decisions, implement right strategies, keeping deadlines and helping the project team to do their best and succeeding in finishing the project in time and budget. Communication is the common thread that holds the project together and prevents it falling apart (Kliem, 2008).

### 2.2.1 Stakeholders in projects

Roeder Tres (2013) has aptly said in his book “Managing Project Stakeholders: Building a Foundation to achieve project goals” that “*Projects are done by people (the team) and for the people (the stakeholders)*”. Projects (as all the businesses) are highly dependent on people. Team members, project managers, organizational executives, customers and other internal and external members of the project organization are called stakeholders. A stakeholders are a person or group of people who can affect or be affected by project (Freeman, 1984). Project stakeholders can come and go during the different phases of the project. Stakeholder can be a group or individual and they might be involved only in single phase of the project but they might be also involved throughout the project life cycle. Stakeholders are individuals with own sets of interests, fears, and aspirations which is why managing and communication with stakeholders is crucial and important part of project success and management (Roeder, 2013 p.15).

Stakeholders can exist at any level of the management (Kerzner&Belack, 2010, p.145). It is crucial for the project success to identify all the relevant stakeholders and understand that each stakeholder is an essential piece of the project. In order to succeed in stakeholder management, all the stakeholders need to be committed to the project. This cannot be done if the stakeholders cannot see the value in the end of the project.

Stakeholder management is not an easy task. There are several factors what makes stakeholder management such complicated. Different time requirements for the project, different cultures, different capabilities in the assigned resources, differences in perceived status and power and different views on project success (Kerzner and Belack, 2010). Each stakeholder can have different expectations of the project; the stakeholders can have different expectation of how they are expected to be involved and in addition they might have different mindsets of the project goals.



Stakeholders can be divided into two main groups. **External stakeholders** are the individuals who affect or are affected by the project outside of the organization. Examples of external stakeholders are customers, suppliers, partners and different societies. External stakeholders have affairs and interest to the company but they do not own or work for the company. **Internal stakeholders** instead are the employees, management and corporate leaders of the project organization. Employees are the key stakeholders of the project as they are powerful engine to successful project. Managing stakeholders is one of the most key challenges in project management and again communication plays a big part in terms of successful stakeholder management. Next chapter will take a closer look to communication with internal stakeholders. Communication methods with external stakeholders will not be discussed as the scope of this thesis is limited to project communication within the project team.

### 2.2.2 Internal Stakeholders

Eileen Scholes (1997, p. xviii) has defined internal stakeholders as “The professional management of interactions between all those with an interest or ‘a stake’ in a particular organization”. Welch & Jackson (2007) have suggested a stakeholder approach where internal stakeholders could be categorized into different groups depending of their ‘stake’ in the organization. Below they have listed five internal stakeholder groups in different levels in organizations:

- all employees
- strategic management: the domain coalition, top management or strategic managers (CEO, senior management teams etc.)
- day-to-day management; supervisors, middle managers or line managers (team leaders, heads of departments, directors)
- work teams (departments, divisions)
- project teams

Internal stakeholders can be also called as primary stakeholders. They can be either punished or awarded according to the business success of failure. The interests can vary inside the internal stakeholders of an organization. Employees might be mostly concerned about job security, salary, and reward and recognition while stockholders care

mostly about business growth and profit. However, all internal stakeholders share a common interest of continuance and success of the business.

### 2.2.3 Project communication management

Project based working has increased its popularity in organizations for several reasons. One of the most important reasons is the result orientated nature of projects which makes it easier to prioritize the issues. With the right and professional people, with interest and knowledge, the project helps to put effort on certain tasks at time. Decision making is often easier as projects are well defined and structured beforehand and there are goals to be achieved. Therefore project based working often proceeds faster than regular work. Thus the work is easier to evaluate than in line organization.

Project communication differs from organizational communication at some sense. Project communication applies rules from parent organization which applies all the members of the organization but it also applies project specific rules and working methods which are set for that specific project. However project communication rules should be always in line with organizational communication guidelines. In project working the main communication channel is the work instructions given by the project manager. Project team members need to work under these instructions and execute the given tasks as effectively as possible. Naturally effective project communication requires daily communication between project team members and project manager. Project manager is the key driver for effective communication. He is responsible for communication and informing all the parties involved in the project. Different parties are interested in different issues of the project. Project manager needs to ensure that both internal and external parties are sharing the same vision and commitment for the project.

Figure 2 represents the different stakeholders in projects. Stakeholder identification is a crucial part of project management and project communications. First, the project manager needs to identify both internal and external stakeholders and what is their role and authority in the project. After this, he needs to consider what interests these different stakeholders have in the project. Furthermore what needs and expectations the stakeholders have and how often the project manager should communicate with these stakeholders. Usually internal stakeholders require more regular communication than external stakeholders. Suppliers, sponsors and business partners can have a major effect on the project but they rarely require daily check-ups and guidelines from

the project manager. Internal stakeholders instead (project team) require constant communication from the project manager in every phase of the project. Communication with project team applies many communication channels such as emails, calls, meetings and personal discussions.



*Figure 2. Lines of communication.*

#### 2.2.4 Internal project communication

A project team is a group of people with common goals. The members of the team supports each other in every assignments to achieve high quality results effectively (Pelin, 2011). Project team is usually quite diverse group of people. They can be geographically dispersed, speak different languages, have different educational backgrounds and have different work related methods and habits. This makes communication very challenging in project teams where the team members possibly haven't ever met each other. In addition project team members often roll off the project during the project as sometimes the work effort of some team members is needed only in one phase of the project.

One of the most important issues in project management is clear and achievable goals of the project. The project team is always responsible for achieving the goals of the project together. The project team is gathered together to finish a project task effectively.

Communication among the project team members is crucial for the project success. Every member of the project team has their specific knowledge, information, skills and motivation of the project. The challenge for project communication increases the bigger and more geographically dispersed the project team is. In addition the meaning of internal communication increases the more the project involves financial and human resources.

### 2.2.5 Project communication channels

Communication channels can be divided into upward, downward and lateral channels depending to whom the project manager aims to communicate. **Upward channel** is a communication channel to keep the decision making parties informed. These stakeholders can be both informal and external: clients, managers and senior executives of the organization. Communication tools for upward channel are mainly mediated channels meaning that the communication happens via email or other electronic channels. Most common tools of upward channel are different kind of email status reports which are used to inform the stakeholders of the project scope status. **Downward channel** is the most important channel in terms of internal communications. The meaning of downward channel is to communicate with all the project team members assigned for the project. Therefore downward channel is perhaps the most important channel in terms of project success. Unlike upward and lateral channels, downward channels use a lot of direct communication channels such as face-to-face discussions and project meetings. Downward communication happens daily and requires project communication plan and good leadership from the project manager. Via **Lateral channel** the project manager is able to communicate to the external stakeholders of the project. These stakeholders can be suppliers, clients or managers from different departments. In order to succeed in project, it is important to make sure that these stakeholders are aware of project scope at all times and all the deadlines, requirements and objectives of the project are informed to all stakeholders. This instead requires effective communication skills and tools.

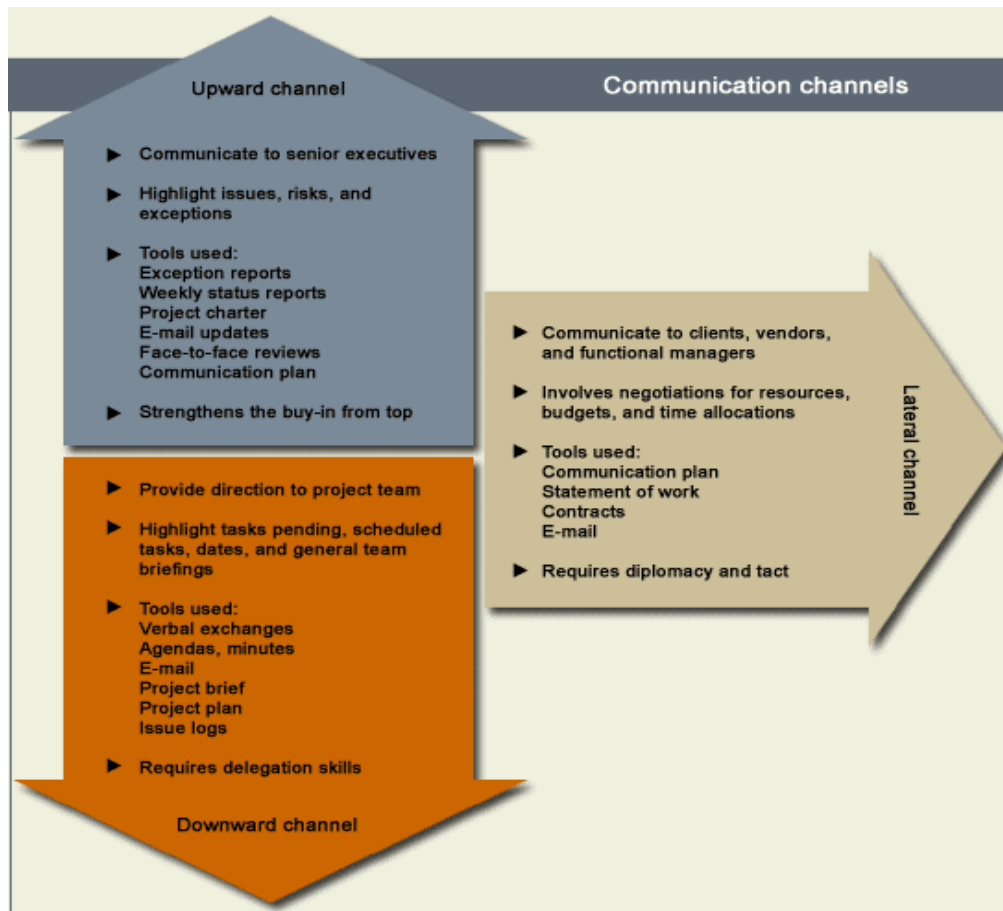


Figure 3. Communication channels.

The increase of communication channels does not always mean that the communication has become more effective. Companies and employees still need to determine what their primary communication channels are and choose the best channels. If a business aims to take advantage of all channels available, the communication easily turns to messy and unstructured.

### 2.2.6 Project communication tools

Projects include loads of information which need to be communicated to different stakeholders fast and efficiently. The most efficient way to plan internal communications for a project is the beginning of the project. It is important to plan which documents need to be informed as well as the tools to communicate during the project. In addition responsibilities and timetables need to be planned carefully in order to create successful start for the project.

Web based communications has become one the most crucial methods for internal communications. There are several ways to develop communications tools (Pelin, 2011, s. 289):

- Written reports and newsletters
- Emails
- Phone and video conferences
- Notice boards
- Meetings
- Intranet
- Radio, TV and public word

In global teams the role of web based tools is crucial. There are many ways to distribute message and communicate, but in global project teams communication cannot be dependent on place. Global dispersed teams have to adopt many communication channels to ensure the effective information flow. It is important to avoid the use only one or two methods as the risk of communication failures increases. Since face to face communication is very limited in dispersed project teams, the use of different web based methods have increased significantly. Videoconferences, intranets and chatting platforms are very effective project communication tools when used correctly. However it is crucial that since many of these methods rely on verbal communication, the project manager should always make sure that the project team enhance the communication by using both verbal and written communication methods (Kendrick, 2004). Below are listed some of the most common communication tools used in global project management.

#### *Videoconferences*

There are many different virtual meeting platforms available that offer live streaming video, audio connection, sharing of slides, and many other visual matters (Roeder, 2013). Videoconferences are one of the most effective ways to communicate in projects, especially if the opportunity for face to face communication is limited or does not exist. Videoconferences have become crucial in the global project management. When project group is dispersed and the team members are located in different countries, the virtual communication tools have increased. Good teleconferencing requires careful planning like any other project meeting. Project manager need to set up an agenda before the meeting, consider place and time for the meeting and send meeting invitations to all project team members who should take part in the meeting. In video conferences the

project manager need to also ensure that all the participants have access to the software and technical tools which are used in the video conference.

### *Intranet*

Intranet is a web based information network which is used for internal information sharing and communication platform in an organization. Intranet is very similar to Internet but the biggest difference is that Internet is an open network while the use of intranet is limited to the specific organization. Many organizations tend to think that intranet is only limited to information sharing. However when used with full potential and correctly, it can be a powerful tool to enhance teamwork and project communication (Richardson&Denton, 2006). In project management intranet can act as a communication platform to share important project information inside the project team. Intranet is very helpful and effective tool to reach a large group of people and it can be used to inform the project teams about project scope changes, upcoming meetings and for instance technical requirements of the project.

### *SAP*

Nowadays many organizations are using computer applications to manage and facilitate project management processes and communications (Kendrick, 2004). One of the most successful and known project management software is SAP (Systems, Applications & Products in Data Processing). SAP is a business management software which can function as an important communication and project tool in projects when used correctly.

When a project organization is choosing a software for project management they need to consider few highly important factors. Firstly they have to consider what kind of software meet their needs and fits to the project. The bigger the project is, the more complex software it usually requires. Secondly the organization have to consider do they possess enough knowledge and capabilities to master the software. For example adopting SAP as project management tool requires extensive knowledge and training to use the software as an effective project communication tool. Without the expertise, the project will most likely fail because of a lack of support and SAP knowledge.

### *IDM*

Project documents have essential role in project management. Different kind of project plans, financial plans, change request forms, supplier contracts and project status reports are created during the project life cycles to support and ease the project

management (Stolovitsky, 2010). IDM (integrated document management) plays an important role in terms of saving all the project related documents. IDM enables the organization to store, deliver and manage a large variety of documents. It helps the project team members to find any kind of information in written from one database and supports the project communications.

### *Email*

Email has increased its role as a project communication tool over past years. It is fast, easy to send and share, it enables to reach hundreds of people in few seconds and it is independent of time. In fact, a journal "Information Systems Evaluation" (2010) published a case study where the researched wanted to know the usage frequency of the communication tools in distributed project teams. The case study was conducted in Germany and interviewed several project managers. The results indicated that according to the project managers of the case study email is one of the most important communication tools in projects. They found email as a very supportive and helpful tool in project communication. However at the same time, some of the respondents also feel that the amount of emails in project is often too high and therefore sometimes causes misunderstandings. Nowadays especially in projects, people can receive dozens of messages in one hour. Therefore it is highly important that all the messages are carefully considered before sending to avoid overloading the emails of project team members. When used correctly, email is an effective way of communication. The intelligibility, content and language need to be appropriate and clear. Email rarely suits to communicate negative or difficult messages as the content and message can be understood in many different ways depending of the receiver.

### 2.2.7 The Role of Project Manager

Internal project communication management is a great challenge but the position of project manager puts him even to a greater responsibility in terms of communication. Project manager is responsible of communicating inside and outside of the organization during the project which requires excellent communication and leadership skills in order to succeed in the project. Project manager need to be capable of planning and leading the project as well as inspire the project team to do their best. The main role of project manager is to ensure that the project team is doing their best in order to succeed in the given tasks and achieve the desirable outcome of the project. He is also responsible for ensuring that the project resources are used in the best possible way (Lööv, 2002).



Being a project manager does not guarantee that the person is an effective communicator, in fact project managers can often be more interested in technical or resource matters while the meaning of communication is forgotten. However there are few highly important facts which are essential for project manager in order to succeed in communication thus project itself (Kliem, 2008, p.4, 5). *Communicating is about people, not media*. Project managers should learn to choose the correct media by the importance of message and person receiving it. In today's world many project managers tend to use computer based methods to pass information, for instance emails. Nowadays in many organizations the circumstances do not give many options to communicate as project teams are more and more dispersed. However the method of communicating should not be taken as granted. Sometimes a direct call or a hard copy can work better and more efficiently than an email. *Communications are ongoing throughout the project life cycle*. Managers should be involved and in touch throughout the project life cycles. Sometimes the project manager is highly involved in the start of the project with the rest of the project team but then stops communicating, trusting that the rest of team knows what to do and finish the project successfully. Projects are ever-changing processes and this requires active communication between project manager and team (Kliem, 2008).

### 2.2.8 Communication in different project phases

The project communication changes in different phases of the project. In the beginning of the project the main focus in communicating is between the customer and project organization. In this stage project manager plays a big role in terms of communicating with the customer. The focus changes when the project is running, during the project main focus is in the internal communication of the project team. Correspondingly the communication between the customer and project organization is again crucial in the end of the project. However communication cannot be left aside in any phase of the project. Both customer and the project organization need to be aware of the changes throughout the project life cycles. Project management often focus on different matters during different phases of the project (Pelin, 2011):

#### **In the beginning of a project:**

- The purpose/goal of the project
- Responsibilities and organization
- Project planning
- Meetings and control practice

**During the project**

- Project situation and up-dates
- Changes in the project
- Meeting records
- Important events and achievements
- Inspections and approvals

**End of the project**

- The result of the project
  - Practices for commissioning and finishing the project
  - Final reporting
  - Documents and archiving
- (Source: Pelin, 2011, p. 287)

Projects often face some changes in the project scope during the project. Changes in the project scope are a great challenge to whole project team, especially for project manager whose number one responsibility is to communicate in a way that the project does not face any unexpected surprises and issues. Big project scope changes usually require the use of many communication tools and channels as well as effective communication management with all stakeholders.

**2.2.9 Project Kick-Off meeting**

Project kick-off meeting is usually arranged by project manager in the start of the project. The meaning of project kick-off meeting is to highlight the purpose of the project and share the general information of the project among the team members. After kick-off meeting all the team members should be aware of the project objectives, responsibilities and roles, deadlines of assignments and project plan has been informed. Project kick-off meeting also acts as place to introduce the team members to each other if the project team is together for the very first time. Naturally in some project organizations the same team members flow from project to project and are familiar to each and the communications standards are more familiar to the team members. However the project manager should never take project communications as foregone conclusion. Every

project has different requirements and specifications which is why also communication need to be planned for each project separately.

Project kick-off meeting has three main purposes (Roeder, 2013):

1. Break the ice between team members and build trust and cooperation
2. Share the project scope, budget and key deliverables within the team.
3. Communicate the project team members each role to achieve the project deliverables.

Kick-off meeting has a very important role in terms of communication between internal stakeholders. If all the team members know the project objectives and are motivated to work for the project, the communication most likely flows smoothly between the team members.

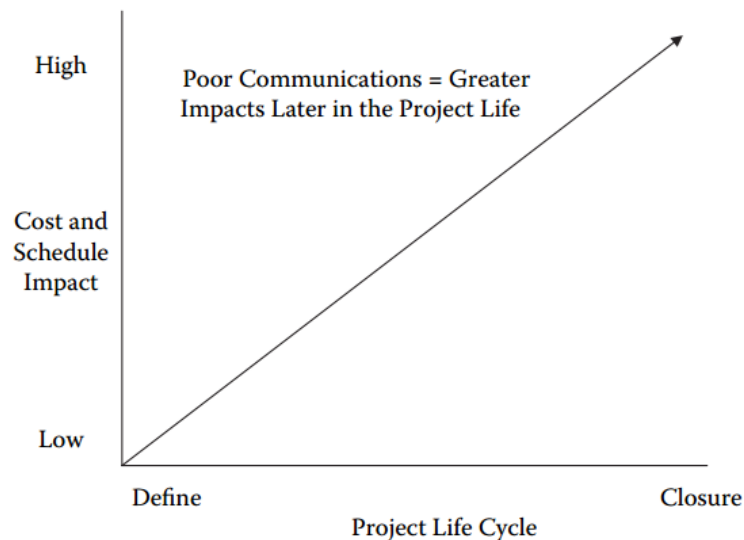
#### 2.2.10 Cost of Poor Communications in Project Management

Internal problems in an organization are always connected to internal communication management at some level. Most common reasons for poor internal communication are confusion and demotivation. Many times employees feel like that they are not informed well and they don't know the organization's objectives and purpose of their work. This obviously has major effect on the job motivation which therefore leads to loss of productivity. Loss of work productivity instead has a direct connection to success of the business.

Poor internal communication management has other critical aspects as well. Part of effective internal communication is clear roles and defined job descriptions in the organization. If the job tasks of every position isn't defined, there is a potential risk of increased duplication of tasks which naturally decreases employee job motivation and satisfaction. This arises confusion among the employees thus the management cannot supervise the work effectively.

What can be the costs of poor communication in project management? In fact, in the worst scenario, poor internal communication can lead to a failure of the entire project. Project Management Institute (PMI) did a research called 'Pulse of project communication' in May 2013. They found out that while business owners and executive sponsors report that communications about business benefits and alignment to strategy

is communicated effectively, project managers do not agree. This is a big issue as in the end the project team is the one making the project succeed. The study also revealed that organizations have mainly difficulties in communication in clarity and detail. The PMI study reveals that actually the amount of projects failing due to the lack of internal communication is still nowadays quite high. This tells that many organizations still tend to ignore the importance of communications in projects.



*Figure 4. Bad communication equals higher costs (Kliem, 2008)*

Project management pioneer, Ralph L. Kliem, has suggested that poor communication in a project actually goes hand in hand with higher project costs throughout the project life cycle (figure 4). He suggest that when communication fails in the beginning, the opportunity to correct the situation later becomes more difficult and costly. According to him, projects creates momentum, and few people want to hold them up while ways are found to improve communication. Rectifying poor communication always takes time and most likely causes rework. In the worst scenario, the mistakes caused by poor communication are not found until the product or service is in production – which increases to costs and delay of the project.

### 3 METHODOLOGY

This chapter demonstrates the empirical part of the study. Firstly the background and case setting are presented. Secondly the research purpose and the chosen methods of the study are justified. Lastly this chapter discusses the reliability and validity of the study.

#### 3.1 Background and case setting

The empirical part of this thesis is conducted by case company X. The case company is a global large project based organization with over 18 000 employees worldwide. The scope of this research is to study how the case company's project purchasers can improve their internal communication with their key internal stakeholders. Project purchasers are in contact with different project teams and internal stakeholders daily. The closest internal stakeholders for purchasers are project engineers and project managers with whom the communication is constant and the communication between project purchaser and project engineer/manager is crucial for the project success. For this reason the respondent group of the research consisted of project engineers and project managers.

Purchasers are in close contact with project engineers and managers in daily work. The communication happens via different communication channels such as software SAP, intranet, emails, instant messaging servers, meetings and face-to-face discussions. It is highly important for the project success that the communication between purchasers and other project team members work. This study aims to find out the challenges of the communication and offer an improvement suggestions to purchasers to improve their communication methods and raise awareness of the communication challenges and pitfalls. In addition the results were used to draw up an internal project communication template for purchasers.

#### 3.2 Research purpose

The purpose of this study was to find out project engineers' and managers perceptions and experiences of communication with project purchasers in order to improve the communication between the team members. The case company had never conducted a research about project communications and therefore the need and timing for this research was appropriate. Sometimes the communication between project team members fails due to unknown and several reasons. This study was designed to explore

what actually is effective communication and how it can be achieved? Following questions were designed to find answers to the research question:

- How do the project engineers and project managers see the current level of internal communication with the case company's purchasing team?
- What do these internal key stakeholders see as the strengths and weaknesses of purchasers' project communication?
- How can the project purchasers improve their communication with internal key stakeholders?

### 3.3 Methods and Data Collection

The data collection was conducted through a questionnaire in the form of a survey. The method was a natural choice as the respondents were geographically dispersed, their work included different schedules and the questions concerning the topic were relatively fast to answer. The questionnaire included 12 questions and it was designed and implemented in cooperation with the case company supervisor. According to Kananen (2014, p.16) qualitative questions aim to answer the question "What kind of phenomenon are we dealing with?" The questionnaire had both qualitative (open ended) and quantitative (closed ended) questions to collect as comprehensive data as possible. Open ended questions give the respondents an opportunity to provide any answer they choose without forcing them to choose from given options. In the case study questionnaire the most valuable questions, such as strengths and weaknesses of the communication, were qualitative open questions so that the respondents had a chance to express their feelings and opinions in their own words. Closed questions aim to provide quantitative data and they differ from open-ended questions by having explicit options for a respondent to choose from. The closed quantitative questions in the questionnaire were mainly designed to support the data from the qualitative questions.

The technical implementation of the questionnaire was done by the thesis writer using a web-based survey tool called esurv ([www.esurv.org](http://www.esurv.org)). The survey included in total 13 questions. The design of the survey was done in cooperation with the project purchaser manager who also performed as the supervisor of the thesis. In addition, my own personal experience as a purchaser was used as inspiration for the survey questions. The respondents were the project purchasers' key stakeholders; project engineers and project managers. The survey invitation was sent to 59 employees, including 35 project engineers, 13 project managers and 1 project controller. 72 % of the responses came

from project engineers while 28 % of the respondents were project managers with overall response rate of 49%.

The survey was conducted in December 2014. The respondents were given 10 days' time to answer the survey and due to the lack of responses, the response time was continued with one extra week. The invitation to take part to the survey was sent to all project engineers and project managers in the case company, with whom project purchasers are in daily communication. The letter included a brief introduction to the purpose of the study. The study focused on a specific business line of the case company.

#### 3.4 Trustworthiness of the study

The validity of the theoretical framework is high since all the resources for the literature review were carefully chosen from the academic resources.

The questions for questionnaire were carefully chosen and revised before publishing. The author discussed several times with her case study company supervisor in order to modify the questionnaire as good as possible. In addition also case company's purchasing team took part of designing the questionnaire and ensuring high quality.

Internal validity is usually defined with the question does the data answer to the research questions, does it deals the issues it was designed for? The validity of the empirical part has been maximized by the fact that the writer worked for the company. This enabled the author to know what to ask and from whom.

## 4 DISCUSSION AND CONCLUSIONS

This chapter provides an overview of the main findings and conclusions and discusses critically some of the findings. It also discusses the reliability and limitations of the study and suggests some future research topics. In addition the value of the research is discussed. The conclusions are made based on the questionnaire answers from the respondents and personal work experience from the case company.

### 4.1 Main findings and conclusion

Internal project communications are challenging. The project team includes different personalities with different interests. Dispersed teams, global organization and different work methods and processes set several challenges to project management.

The main findings are listed below by the research questions. The overall results indicate that the internal project stakeholders are generally happy and satisfied with the current communication but still find several improvement areas in the purchasers' project communication. The research provided comprehensive answers for the research questions, though some further research suggestions arose when analyzing the findings.

#### 4.1.1 How the employees see the current level of internal communication in the project teams?

The results indicated that majority of the purchasers' key internal stakeholders think that the level of communication is very good. Several questions in the survey supported this result. Question four "What are the strengths of project purchasing?" gained more responses than questions concerning the challenges and weaknesses of communication. However the questions concerning the challenges of purchasers' project communication indicated that the stakeholders can find many weaknesses and improvement areas in project communication with purchasers.

There may be several reasons for the small response rate concerning weaknesses of the project purchasers' communication. The respondent group consisted from the purchasers' key internal stakeholder groups; project engineers and project managers. From these stakeholders, project engineers can be considered as the most important internal stakeholders as the cooperation between project purchasers and engineers is very close. The results revealed that the project engineers and managers found several



weaknesses and challenges in project communication with purchasers but still 18% of the respondents did not recognize any weaknesses. By personal working experience these responses could have come from project managers. Project managers are not in daily contact with project purchasers and therefore the communication between purchaser and project manager is limited. For that reason project managers most likely do not recognize that many weaknesses in project communication.

#### 4.1.2 What are seen as the strengths and weaknesses of communication by the stakeholders?

As mentioned, according to the results the stakeholders see more strengths than weaknesses in the communication. The stakeholders are mostly contented with fast and effective communication and the availability of purchasers. Furthermore 28% mentioned face-to-face discussion and personal contact as important strength of communication.

*“We do not know each other that well and when communicating mainly via e-mail or chat there might be miscommunication creating unnecessary conflicts and mistakes. Direct communication face-to-face might take little more time, but outcome is always better”*

*“Personal contact, ask if something is not clear”*

The results indicate that internal stakeholders see time resources and lack of information as the main weaknesses of internal communication. The respondents feel that the project engineers and purchasers do not work in close cooperation which creates misunderstandings and conflicts. The responses also indicated that unusual projects and vendors creates challenging situations in terms of communication. The stakeholders would hope to receive more support and knowledge from the purchasing team with unusual suppliers and projects. This is in connection with another factor which arise from the responses. According to the results the stakeholders would need more technical knowledge from the purchasers in order to enhance the communication. In addition the respondents' mentioned that some purchasers have too big workload which sets more challenges for communication. However the technical knowledge is not a part of operative purchasers' job description. The project engineers are responsible for the technical matters and implementation of the project and therefore the purchasers' task is only to conduct the operative part of the order process. The case company's

purchasing department includes operative and strategic purchasing teams. The strategic purchasers are in charge of suppliers and the quality of goods purchased. They possess high technical knowledge and one of their task is to support the stakeholders (= project engineers and managers) in project scope planning. In order to enhance the communication between the project teams and increase the stakeholders' satisfaction towards communication, the strategic and operative purchasers should reinforce the cooperation between them in order to support other project teams effectively and enhance the project communication.

The results indicated that the stakeholders think that some of the project processes do not work as they should. For instance PMDR (project material delivery request) is seen as weak link in the project communication. The case company has established rules and standards for the processes but the project team members possess different knowledge and skills of different project standards. While others master the process of PMDR others don't exactly know how and when the request should be used. This creates conflicts and miscommunication. It is highly important that these project processes are clear to everyone in the project in order to have effective communication. Additional training or reminder could bring more awareness of the processes and increase the effectiveness in communication.

Delivery managers are important part of project team and are important stakeholder group to purchasers'. However as the survey only covered the key stakeholder groups, project engineers and managers, delivery managers did not belong to the respondent group. In contrast the project engineers and managers were asked, if they feel that the responsibilities and tasks are clear between purchasers and delivery managers. Nearly one third of the respondents thought that the responsibilities between purchasers and delivery managers are unclear. Undefined roles and responsibilities are often a cause of a poor communication. For that reason it is highly important that all team members are aware their roles and tasks in the project team. Often when the team members have adopted a certain role in the project team, it may be challenging to change it (Löw, 2002). It is the responsibility of project teams' managers to make sure that the team members know their roles and responsibilities. One way to enhance the awareness of responsibilities and roles could be to update the job descriptions of both purchasers and delivery managers and boost awareness of the job responsibilities among these project team members.

#### 4.1.3 How the project purchasers can improve their communication with internal stakeholders?

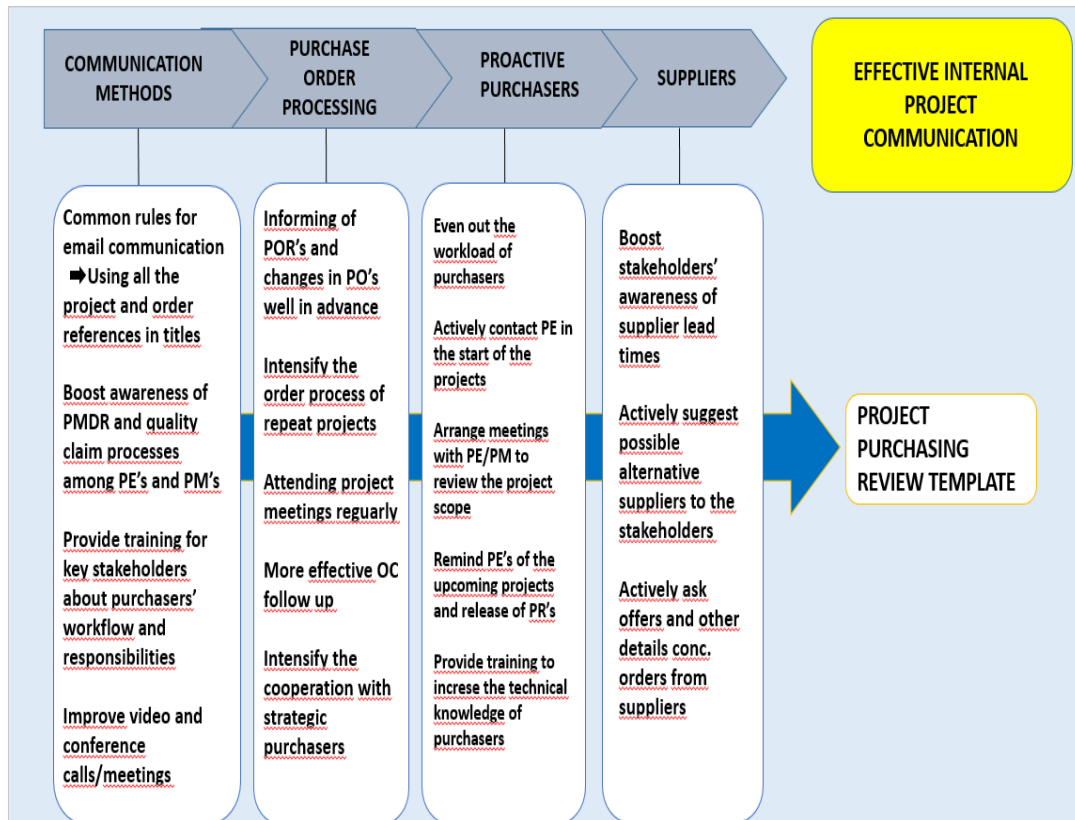


Figure 5. Effective internal project communication – Case Company X.

The purpose of the study was to find out what effective communication from the purchasing perspective is and how it can be achieved in the case company. Figure 5 demonstrates the key elements for achieving effective internal project communication in the case company in the purchasing point of view. The results indicated that there are four main issues to improve in order to communicate effectively. Those four elements are: 1) project communication methods and norms, 2) purchasers' purchase order processing, 3) purchasers' own activity and initiative, and 4) supplier matters in the projects.

The results revealed that the project teams should pay attention to the communication methods and standards in the projects. The results supported the idea of short and effective communication. The engineers and managers want proactive communication

but at the same time the messages and meetings should strictly focus on the project and unnecessary communication should be avoided.

Majority of the respondents thought that in order to improve the communication purchasers should use more face-to-face communication and personal discussions with project teams. However in the case company the project team members are geographically dispersed and work in different offices both in Finland and abroad. Nowadays many project teams are globally dispersed and the project is managed by people from different countries, backgrounds and experiences. This challenges the traditional face to face communication and creates a need to develop better standards and norms for video and conference calls. Nowadays technology has taken the face to face communication over in many organizations. As Pelin (2011) mentioned, there are dozens of effective technology based tools available to manage project communication. In fact emails and instant messages are more effective way to reach larger quantity of people in one time which makes the communication fast and effective. Instead of trying to enhance face to face communication, the case company should put effort on making video conferences, online meetings and the use of intranet more effective.

The results also indicated that the stakeholders and purchasers do not have 'a common language' in email communication meaning that different stakeholders cannot understand or find the correct information from the project emails. Usually project engineers, project managers, delivery managers and project purchasers have different interest in the communication in order to find an answer or solution to their issue. Therefore these groups use different way of communicating which sometimes creates misunderstanding and challenges in communication between the project members. In order to make project communication effective the project teams should make a common guidelines and rules for project communication. The company's project team members have several project running at the same time. This sets even greater challenges to the project communication since it is highly important that all team members are always aware which project the message or communication concerns. Since most of the project communication happens via email a following way could be implemented to enhance the email project communication: The email titles should always include the most relevant project references (Project number/name, PO number, item material number, POR number) so that the stakeholders would be connect the emails and other documents to the correct project quickly. Another suggestion for effective project email management could be to establish project email groups where the email title would be standardized

and the email send list would include all the project team members. This way all the team members would stay always informed and updated of the project scope changes and issues.

The case organization is highly relying on the email communication as their primary project communication channel. However they are also several other channels (e.g. intranet, instant chatting tool, IDM) to ensure the smooth information flow within the project team. In order to enhance the project communication with full potential, the case company should also use the intranet more effectively in their project communication. According to Richardson&Denton (2006) intranet has a potential to offer the project team critical information effectively and help to encourage coordinated actions. Furthermore it can be used to track what is going on projects and provide valuable feedback to project members. Even though intranet most likely cannot replace email as the primary project communication tool between purchasers and project engineers/managers in the case company it should be still considered as an effective communication tool within the team. This requires that all team members are aware of these communication channels and are actively encouraged to use intranet as a project communication tool.

Second area of effective project communication relates to purchase order processing. Many respondents feel that sometimes they are missing some information on SAP or they haven't received relevant information of matters concerning purchasing. Project engineers wish that purchasers would actively let PE/PM know the latest status of orders. This requires daily checking of received and missing purchaser order confirmations from the purchasers. According to results the key stakeholders wish to receive reminders of the upcoming projects and release of purchaser order requisitions. However the stakeholders want to avoid unnecessary communication and for example encourage purchasers to order the items on own initiative without asking a "permission" to order from the project engineers.

An absolute requirement for successful project is successful communication. Part of successful communication instead is clear responsibilities and roles among the project team. According to the results the project engineers and managers wish to receive information from project purchasers about orders, deliveries and suppliers. In particular the key internal stakeholders wish to receive information about delayed and changed orders and the delivery times of the purchaser orders. The project engineers and managers are using different project tools and transactions to check project scopes and stay up-to-date of the project. For this reason the internal key stakeholders aren't aware

of the purchasers' project transactions in SAP and are entirely dependent of the purchasers' communication. In order to improve the communication between these project teams and enhance the purchase order processing, the project engineers and managers should be more aware of the purchasing tools and transactions in SAP. One effective way to increase the effectiveness of communication could be to provide training for project engineers and managers to boost awareness of the purchasing transactions so that these stakeholders would be able to check the key issues of project purchasing (e.g. confirmed delivery dates, order confirmations and delivery addresses) at their own initiative. This would enhance the communication between project purchasers and engineers and decrease the communication failures, precisely concerning delayed and urgent orders. In addition, as the results indicated, the internal key stakeholders do not know how the quality claim process works. This type of training would also provide a solution to increase the quality claim knowledge as the project engineers/managers would become more aware of the transactions of how to check what the status of the claim is.

The project engineers and project managers considered 'minor technical knowledge' as one of the biggest weaknesses in project purchasing which has a major effect on project communication. Intensifying the cooperation between strategic and operative purchasers is the key solution for improving the project communication and increasing the project communication satisfaction in internal stakeholders. However also project operative purchasers should actively take part in technical trainings in order to increase their technical knowledge and be able to serve the project engineers and managers more effectively.

Third part of improvement relates to activity of purchasers. The results indicated that the project engineers and managers would hope for more active approach from purchasers in projects. Purchasers should actively be in contact with PE to make sure that the project scope is up-to-date. Especially the start of the project is crucial and requires systematic and active way of working and communicating from both purchasers and project engineers/managers. 25% of the respondents felt that the amount of project meetings is not sufficient. At the moment project purchasers are not always involved in the project meetings and the amount of the meetings depends of the project. Project meetings are one of the most effective ways of communicating. As Roeder (2013) said, project meetings act as an ice-breaker between team members and creates cooperation among team members. It enables the project team members to change opinions and ideas in

real-time and get an answer immediately. At the moment it is the responsibility of project engineers and managers to organize a meeting when needed. However as the respondents hoped for proactive approach from purchasers, also purchasers are encouraged to organize a meeting if needed. Following comment supports this idea:

*“Purchaser could, from time to time, together with PM/PE review the whole project and adjust delivery times/materials to get more correct/updated SAP data”*

The results also revealed that sometimes purchasers should be more involved in the projects. Project engineers and managers feel that purchasers are not involved in the projects entirely and purchasers are not really committed to the project from the beginning. This highlights the meaning of project kick-off meeting which plays a vital role in project communication and builds trust and cooperation among the project team members. Sometimes project purchasers are not invited to the kick-off meetings which naturally creates uncertainty of purchasing activities among project engineers. Project manager should always make sure that the project purchaser is also invited to the project kick-off meeting. In project kick-off meeting the project team members get to know the project deadlines, objectives and the members of the project team.

Lastly the purchasers should pay attention to the supplier management and matters concerning suppliers. The results also indicated that 40% of the respondents do not know the average lead times of suppliers. The case company is currently sharing a supplier lead times list which have been distributed to all internal key stakeholders but still almost half of the respondents are not aware of the list. To enhance the communication, the purchasers should find out why still 40% of the stakeholders are not aware of the supplier lead times? Perhaps the supplier list should be distributed to all stakeholders more effectively or maybe the stakeholders haven't realized how important it is for them to know the lead times of suppliers in order to release the purchase order requisitions on time.

The results revealed that the stakeholders possess quite poor knowledge about quality claim process. In order to enhance the project communication the stakeholders hope to receive some training and information of the process. In addition also purchasers should receive some further information to boost awareness in all teams.

In conclusion, these four factors shown in picture 5 are the key factors for effective internal project communication in the case company. The project purchasers of the case company need to focus on their communication methods, purchase order processing,

personal activity and supplier issues in order to improve their project communications with project engineers and project managers. They have to carefully consider all the improvement suggestions and ensure that the entire project team is committed to the changes in communicating and way of working. In addition improving the project communications in the case company comprehensively requires training and orientating the internal stakeholders to adopt to the project communication changes with purchasers.

#### 4.1.4 Project purchasing communication template

Based on the results the author drew up a project communication template for purchasers. The purpose of the template is to work as a supportive tool for purchasers in projects. The template was designed to remind the purchasers about the key purchasing issues in the start of the projects. The purchasing project review template was designed to help support the most common challenges in project communication and ease the communication between purchasers and their internal key stakeholders.

#### 4.2 Limitations of the study

Although the internal stakeholders were reminded several times of the survey and the response time of the survey was extended by one week, the total response rate was still only 49%. However as the survey was well informed but still didn't gain more responses, it can be stated that the internal stakeholders are generally satisfied with the communication. This was also supported by many satisfied comments of the communication in the survey.

It can be also noted that the time/season of the year might have something to do with the response rate as the survey was implemented just before Christmas Holidays which is usually hectic times for project organization's employees and therefore employees did not have time nor interest to take part in the study. Another fact is that most of the project engineers and managers receive dozens of emails each day. As their email inboxes are overloaded, the invitation email to take part in the survey may easily be ignored by the receiver.

Furthermore another limitation of the study relates to survey design. The comments and results revealed that questions four and five weren't totally definite. Some of the



responses were mainly related to the general strengths and weaknesses of purchasing and some of the respondent understood the issue as 'What the strengths/weaknesses are in project purchasing in general?' Thereby all the respondents did not consider the questions from the case study purchasers point of view. This could have affected the results as all the responses did not answer to the question. However the overall responses indicate that the questions were understood correctly and therefore did not have a major effect on the reliability.

#### 4.3 Value of the study

The results of the research were used to design a project purchase communication template. The research data was carefully revised and the communication template was drawn to help the purchasers to concentrate on the key issues of purchasing in projects. The template was designed in a way that the use of the template is not limited to the business line which took part in the questionnaire. The design of the template is made to act as a supportive tool for purchasers in projects in several different business lines of the organization. Therefore the value of the research is useful for several business lines of the organization.

In addition the provided purchasing template provides value to the case company also in enhancing the project communication with other internal stakeholders – delivery managers. The delivery managers communicate with several different purchasers from different business lines and the purchasers' way of work varies depending of the purchaser and the business line. This creates great challenges to delivery managers as well as other internal stakeholder groups (e.g. transport managers). Purchasing project template enables the purchasers from different business lines to standardize their way of working and communicating and ease the communication with their key internal stakeholders.

#### 4.4 Future research suggestions

This research aimed to get an overall picture of what is the current strengths and weaknesses of the communication between the project teams and suggest some development proposals. The questionnaire was conducted from the purchasing perspective with a purpose of improving the communication of purchasers and be able to serve the internal key stakeholders better. Therefore only the key internal stakeholders, project engineers and project managers, answered to the survey. As the

thoughts of purchasers weren't taken into account in this research, the future research suggestion is to conduct a research where the communication matters are viewed from the project engineer perspective and the purchasers are given chance to evaluate the communication of project engineers and managers. This kind of research could give a valuable information of how to improve the communication comprehensively. The results of this study could be then used to compare the differences in the opinions of communication between project engineers and purchasers.

Another future research suggestion is to conduct a research to study external project communication in the purchasing perspective. Project communication includes both external and internal stakeholders and the scope of this research was very limited as it concerned only specific internal stakeholder groups. Purchasers' external stakeholders are suppliers, warehouse and forwarders. Project communication with these stakeholders is also essential part of project communications. Therefore the research about external project communication would provide valuable information to the case company's purchasers as well as to the external stakeholders.

As this research was only conducted as electronic questionnaire, the respondents were given a chance to answer when most suitable time and the questions they wanted. As a result, half of the respondents did not answer at all and some skipped part of the questions. To get more specific answers, the future research could use personal and group interviews as data collection methods.

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Invitation Letter

Dear Project Engineer/Project Manager,

Project Purchasing has engaged Mss. Fiia Ylitolva to do a BSc thesis on internal communication in project teams. As you are our key stakeholders we kindly ask you to assist Fiia Ylitolva and give your time and opinions to help us improve the project communication of purchasers and develop the current way of communicating.

The objectives of the thesis are:

- to gain better understanding of what is the current level of communication of purchasers
- to find out your opinion of the strengths and weaknesses of current communication with purchasers
- to find out what are your expectations and preferences in terms of communication with purchasers

Survey takes 10-15 minutes to answer and includes both open and multiple choice questions. It is also totally anonymous and all information gained will be handled with trust.

Thank you in advance for answering to this survey and providing this important information for us.



