

EFFICIENT INTERNAL COMMUNICATIONS IN THE BANKING SECTOR: SIGNIFICANCE, FUNCTIONS, AND TECHNIQUES OF THEIR IMPLEMENTATION

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Nagachevska, O., Dzhereleiko, S., & Kushka, P. (2023). Efficient internal communications in the banking sector: significance, functions, and techniques of their implementation. *Journal of Innovations and Sustainability*, 7(2), 13. <https://doi.org/10.51599/is.2023.07.02.13>.

Purpose. The objective of the research is to evaluate the internal communications process within Ukrainian banks using a critical literature analysis methodology. This analysis aims to examine the structure and essential functions of internal communication, as well as strategies for enhancing communication while considering the nature of this process.

Results. Communication is crucial for the survival of financial institutions, as it helps them gather, analyze, and organize information about the external environment and transfer processed messages to the external environment. By addressing the challenges faced by employees in the banking sector, banks can create a positive internal and external image, fostering employee motivation, engagement, and success. Communication is the process of signals interchanging between the sender and receiver through a coding-decoding system, aiming to influence the recipient's knowledge, attitudes, and behavior. The SMCR model, which includes the components of Source (or Sender), Message, Channel, and Recipient, is fundamental in communication studies. Effective communication involves receiving information from the receiver and responding to the sender's prognosis. To improve the overall efficacy of the communication system, it is necessary to eliminate obstacles such as individual-personal, social, and cultural filters. The SMCR model identifies critical conditions for effective communication, including communication objectives, application preparation, channel selection, and appeal effectiveness. In banks, communication is related to both interpersonal processes and the social-organizational framework, resulting in predictable and stable communication between subordinates and managers. The analysis of communication networks in banks allows for an examination of the system's integrity, connection with the external environment, and susceptibility to innovation.

Scientific novelty. The primary contribution of this work is its comprehensive elucidation of the concept and significance of external and internal communication within the context of financial institutions, along with the strategies employed to attain effective communication. The banking industry has a well-defined classification system for internal communication, which allows for the systematic analysis of the key advantages and disadvantages associated with such communication

methods. This paper presents a comprehensive analysis of the strategies used to build efficient internal communications inside a banking institution.

Practical value. The study provided has practical value, as it helps in evaluating internal communication inside Ukrainian banks, specifically in terms of communication quality and the efficacy of tools used for its implementation. The findings of this study have the potential to inform future advancements in the integration of internal communication practices inside banking institutions.

Key words: communications in banking organizations, internal communications, SMCR communication process model, interpersonal communication and the social-organizational framework, the Code of Corporate Ethics.

Introduction. The objective necessity for an expanded utilization of communication within financial institutions arises from enduring alterations in their internal environment, which stem from various factors such as social, economic, and technological influences. These changes necessitate the support, operation, and advancement of vital activities, as well as the prompt response and adjustment to evolving circumstances. All business operations relating to the management of organizational resources, particularly human resources, are bound together and supported by the bank's communications in various formats.

The growing competitiveness of the banking and financial services sector has recently compelled organizations to evaluate the significance that their personnel might play in achieving a sustainable source of competitive advantage. Internal communication has consequently taken on added relevance as companies attempt to convey consumer demands, corporate principles, and so on to employees at all levels, as well as to encourage personnel to continue a two-way dialogue with executives.

Efficient information systems should stimulate the growth of sectors where organizational units perform. Internal communication must be attained amongst personnel participating in comprehending and achieving company objectives and strategies to be effective. Staff members should be treated in the same manner as external consumers in terms of significance. It could result in increased consumer loyalty and, consequently, stronger identification and affiliation with the organization in question.

Several inadequately informed staff members do not identify with the company as a whole, which implies they aren't involved in attaining business goals and strategy. Deficiencies in information or postponed job-related messages lead to worse work efficiency and productivity. Employees are demotivated when they are not kept up to date on significant organizational events.

Consequently, we suggest that the function of internal communication is to create a system of values as well as an ideology for changes that motivates and educates personnel. Effective internal communication may become the key to an increase in employees' motivation and involvement, an increase in work efficiency, the success of changes, and the building of a positive internal and external image of the organization (M. Purol & D. Wosik, 2007; M. Armstrong, 2003).

Review of literature. The study of the scientific literature on this issue resulted

in the conclusion that significant developments regarding the essence and types of communication, as well as their technological solutions, have been discussed in the works of representatives of domestic academic opinion: H. Bobrul (2006), V. Bebyk (2005), A. Bodnar (2011), O. Lokotkova-Ternova (2020), V. Ilhanayeva (2009), V. Rizun (n.d.), O. Kholod (2011), L. Sager (2011), M. Yatsenko (2020) and others.

The works of foreign scientists on the investigation of communication issues and how they are implemented in organizations and institutions have been thoroughly reviewed. Specifically, we have analyzed the works written by H. Pocheptsov (1999; 2010), G. Galanes & K. Adams (2012), J. Katzenbach & D. Smith (1993), N. Luhmann (1988; 2003), F. Luthans et al. (2021), J. Wood (2015), S. Smith & S. Wilson (2010), J. Habermas (1987), J. Haas (2007), C. Cherry (1966), R. Craig (1999; 2013), and others. These scientific works explore communication models and the abilities of communicative processes to solve problems at different levels.

Drawing upon an extensive analysis of scholarly discourse pertaining to the conceptualization of communications and internal communications, it can be deduced that internal communication is often regarded as a fundamental element for accomplishing vital organizational objectives. The aforementioned aims comprise the distribution of information pertaining to the operations conducted by the institution or organization, the transfer of experienced knowledge, the promotion of organizational values, and the development of social or cultural identification. Furthermore, internal communication plays a pivotal role in fostering and nurturing corporate culture, thereby facilitating its growth and advancement (O. Todorova, 2015; 2018; V. Panchenko, 2016; O. Potsulko, 2019 et al.); involvement of personnel in making management decisions and discussing the results of their implementation (L. Sager, 2011; T. Burmaka & K. Velykykh, 2019; V. Apopii, 2007; J. Hellevig, 2012); support for the creation of groups and teams to implement projects and increase employee loyalty (O. Lozovskiy, 2021; O. Lozovskyi & O. Zaiats, 2020; O. Maliutin & O. Zaiats, 2012); finding original forms for solving tasks related to personnel management (adaptation, selection, training), formation of a favorable social and psychological climate in the organization (L. Sager, 2011; T. Mostenska et al., 2023); forming a positive experience of interactions (A. Lyzanets et al., 2022).

Nevertheless, it is essential to emphasize that the level of exposure and analysis of internal communication inside the banking sector is insufficient. This is the rationale for the novelty and significance of our study.

Materials and methods. *The purpose of our research* is to evaluate the internal communications process using the method of critical literature analysis, analyze the structure and key functions of internal communication, and strategies for communication improvement, and examine the nature of the process in the context of Ukrainian banks. A qualitative approach based on grounded theory has been adopted.

This article consists of two parts: theoretical and practical. In the first part of the article, the authors, using the method of critical literature analysis, described the main elements of analyzing the examined topic of internal communication. They were: the

meaning of organizational communication; myths and misconceptions occurring in this area; key factors of communication; functions of internal communication; and exemplary strategies for communication improvement.

A questionnaire-based survey was the primary approach employed throughout the investigation. Concerning the research, two aims were established: theoretical and empirical. The primary theoretical objective of the current study is to provide a detailed definition of the meaning and role of communication and internal communication in banking institutions, as well as the means for achieving it. The practical goal is to analyze and evaluate internal communication, particularly communication qualities and the effectiveness of instruments for its execution in a Ukrainian bank, namely “PUMB” (or “FUIB” in English) (Official site of PUMB).

Results and discussion. In banks, communications are crucial for survival. Each banking institution is permeated by a network of information channels designed to gather, analyze, and organize information about the external environment, as well as to transfer processed messages to the external environment. Thus, the appropriate division of the bank reports information on various external environmental factors that impact the economic, political, technical, and other aspects of the business. The most significant ones that might undermine the organization's competitiveness are highlighted, and the bank responds positively to these external signals.

Therefore, communication serves as a means of involving the bank in the external environment, providing it with the essential amount of engagement with the surrounding area, without which the bank's existence is impossible or unsustainable.

Communication is the process of signals interchanging between the sender of the message and the receiver via the coding-decoding system, intending to influence the recipient's level of knowledge, attitudes, and behavior. So, communication is a process of transferring information, and depending on the precise qualities of this process, this information might be affected in different ways.

The specifics of communication process organization are specified in the works of A. Mehrabian (1967), M. Mescon et al., (1988), and H. Lasswell (1972). In the scientific research conducted by B. Burleson (2010), V. Bozhkova et al. (2014; 2018), O. Beherska (2017), H. Bobrul (2006), N. Ivashova (2012a; 2012b), N. Karpenko (2012), T. Lukyanets (2013), T. Prymak (2003), O. Teletov (2012), and others, special emphasis has been put on the study and development of marketing communications management methods. The management of organizational communications is undertaken by G. Belch (2007), A. Kucher et al. (2019), J. Leikhif & J. Penrose (2001), N. Shpak (2011), O. Shubin & A. Kryvonis (2012), O. Shubin & I. Simenko (2010).

Various communication models may be employed to analyze the process of communication. The SMCR model, as shown in Figure 1, which encompasses the components of Source (or Sender), Message, Channel, and Recipient, is considered fundamental in communication studies.

From the sender's perspective, effective communication entails receiving information from the receiver and responding to the sender's prognosis.

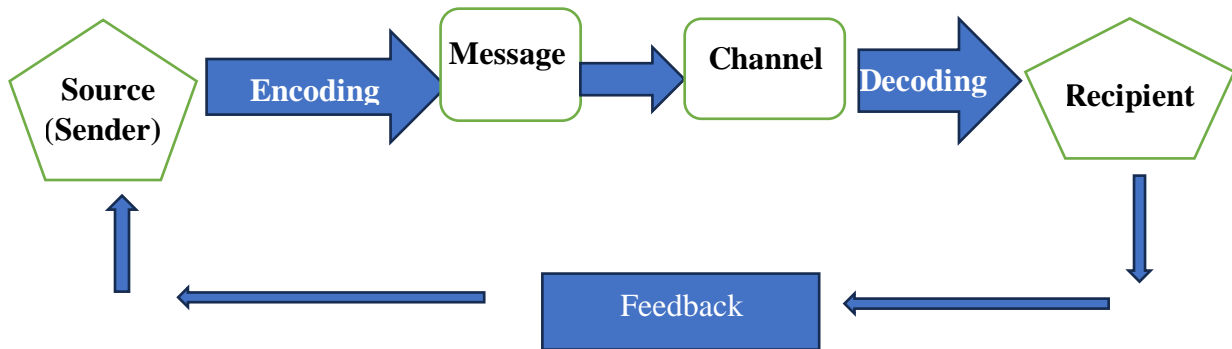


Figure 1. SMCR communication process model

Source: compiled by the authors based on literature analysis (D. Berlo, 1960; H. Bartoo & P. Sias, 2004; R. Craig, 1999; 2013; J. Habermas, 1987; H. Pocheptsov, 1999; 2010; S. Smith & S. Wilson, 2010, et al.).

To improve the overall efficacy of the communication system, it is required to eliminate the obstacles that arise in the communication process, i.e., to consider individual-personal, social, and cultural filters. These obstacles can be overcome by duplicating the message, modifying it as necessary, and reducing the number of intermediaries in the communication process, as demonstrated in Figure 2.

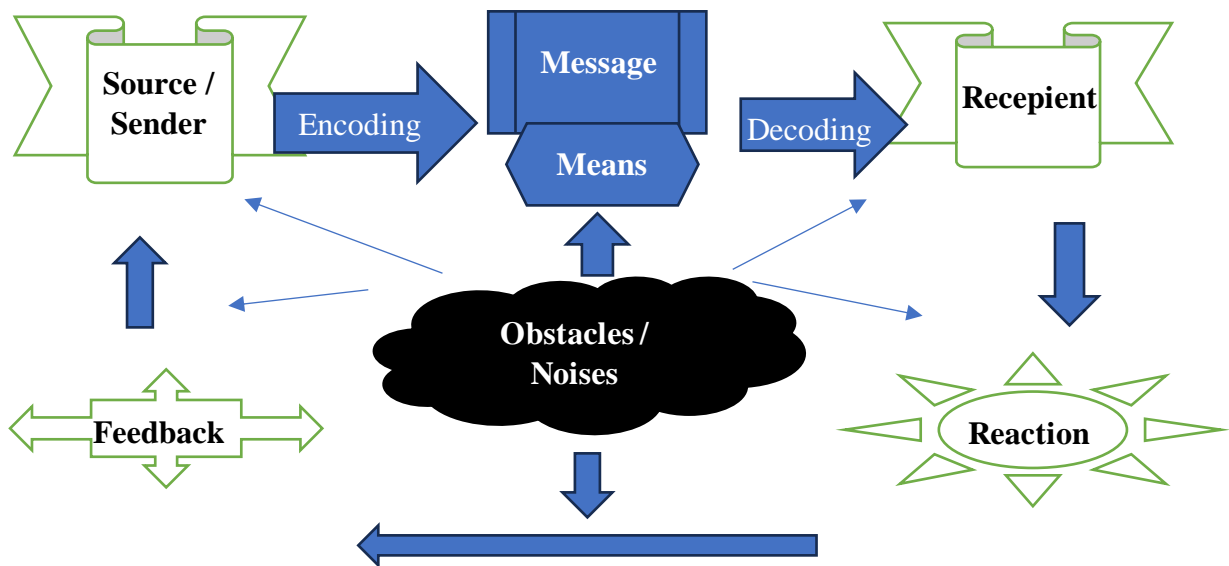


Figure 2. Model of Effective Communication

Source: compiled by the authors relying on literature analysis (R. Craig, 1999; 2013; J. Habermas, 1987; V. Rizun, n.d.; H. Pocheptsov, 1999; 2010; M. Purol & D. Wosik, 2007; S. Smith & S. Wilson, 2010, et al.).

The message is initiated by the source (sender) by encoding the concept/message. Four significant factors might impact the encoding process: skills (experience); attitude toward the conveyed information; knowledge; and the sender’s sociocultural system.

Communication outcomes are classified into three types:

a) changes in the recipient’s knowledge; b) changes in the recipient’s attitudes, i.e., a shift in the individual’s relatively stable ideas; c) a shift in the addressee's

behavior.

The model also allows for the identification of critical conditions for effective communication. Among them are the following:

1. Communication objectives. The sender must be unambiguous about the audience he wants to appeal to and the type of reaction he expects.

2. The application's preparation. It is essential to consider the prior experience of the product (service) consumers as well as the message-decoding technique utilized by the target audience.

3. Channel selection. The sender has to convey his message via channels that efficiently contact the intended audience.

4. The appeal's effectiveness. Given the feedback signals, the sender must assess the target audience's reaction to the sent messages (O. Beliakov, n.d.; A. Lyzanets et al., 2022; L. Sager, 2011; A. Vercic et al., 2012).

Communication within the banking sector includes both individual dynamics and the broader social-organizational structure. Consequently, the predictability and stability of the organizational structure in human communication contribute to the facilitation of administrative tasks. Consequently, there exists a distinction in communication patterns between subordinates and supervisors as compared to individuals occupying similar positions inside the banking institution.

The evaluation of communication networks inside the banking sector facilitates an analysis of the system's integrity, its interaction with the external environment, and its innovation potential.

Organizational communications tend to be categorized as internal or external. If the external ones are concerned with the organization's relationships with its external stakeholders, the internal ones are concerned with the development of communication procedures between internal target groups (departments, branches, and informal organizations) or employees.

Internal communications are an integral part of the financial management system. Internal communications in the personnel management system are defined as the exchange of ideas, the achievement of agreements, management, and accountability relationships, the exchange of information regarding the implementation of the organization's goals and objectives, and relationships with personnel and among employees (T. Burmaka & K. Velykykh, 2019).

Internal communication can be realized in the form of interpersonal and organizational relationships. Interpersonal communications refer to the interactions between individuals that transcend formal laws and extend beyond their boundaries. Organizational communications operate within the parameters of a certain organization's duties and goals and are subordinate to its established organizational framework. Internal communication plays a pivotal role in facilitating the accomplishment of three primary objectives:

- informing – ensuring cross-exchange of information among organization employees through formal and informal networks, effective channels, tools, and

communication styles;

- involvement – engagement of employees in performing organizational tasks and achieving organizational goals through the use of information content;

- receiving feedback;

- internal communication should be a two-way flow of information. The staff is provided with information on executive needs and operational goals, which aids in their execution. Conversely, management is provided with information about the status of tasks, issues, available resources, optimization strategies, and other relevant matters.

In the opinion of L. Rosenfeld et al. (2004), successful communication must strike a balance that ensures people in the organization get the right information at the right time. A lack of this equilibrium can result in information overload, under-information, and inefficient activities (L. Rosenfeld, 2004). Internal communication may be defined as a controlled communication system within an organization, with employees serving as an internal public or stakeholder group (A. Vercic et al., 2012). Employee communication, organizational communication, and internal marketing are phrases used for internal communication.

A controlled communication system in an organization can include a range of channels and activities, including but not limited to newsletters, notice boards, staff briefings, and intranets (L. Yeomans & L. FitzPatrick, 2017). Employee engagement, as a strategic priority for leaders (L. Yeomans & W. Carthew, 2014) and practitioners (L. FitzPatrick & K. Valskov, 2014), advises developing a two-way, trusting connection with the internal public to boost organizational effectiveness.

It is significant to underscore the importance of striving for balance between opposing ends as a commendable objective in the realm of internal communication. Inadequate communication gives rise to a divide that nurtures emotions of mistrust and skepticism. The presence of an overwhelming quantity of information might potentially lead to a state of information overload, or what is known as the paradox of plenty when an excess of knowledge is neglected. According to the research conducted by H. Bartoo & P. Sias (2004), the act of acquiring a significant amount of information does not necessarily result in receiving an adequate amount of information. Furthermore, employees can get an inadequate quantity of information that lacks the requisite pertinence to their particular requirements.

Nevertheless, ascertaining the appropriate magnitude is a challenge. According to J. Haas (2007), despite an increase in the number of internal communications inside organizations, employees expressed a need for further communication. Efforts to achieve successful internal communication prioritize the attainment of information adequacy, which refers to the extent to which the information received aligns with the information required (L. Rosenfeld et al., 2004).

Experts argue that while the bank’s image is “chained” to services, the latter’s quality ultimately depends on the staff, namely the ability to take into consideration the client’s interests and skills and correlate them with what the bank can provide. Internal communication becomes “capital” in this sense. That is why they strive to inculcate in

their employees a sense of belonging to the bank's brand, assisting them in comprehending and accepting the image and values that constitute the bank's cultural and professional identity.

"In this regard, the internal target group or internal segment of advertising campaigns are bank employees themselves: their negative assessment of the bank's image, the disparity between their perception of its image and advertising films – all of this can eventually violate the internal harmony of the banking mechanism. Therefore, testing employees from advertising campaigns is a requirement for their implementation" (L. Sager, 2011; L. Rosenfeld, 2004).

There are several reasons why internal communication is necessary. To begin with, successful external communications are insufficient to establish effective general communications. Because only 7–10 % of general enterprise communications are reported by the information department and more than 90 % are reported by staff from other departments or other related persons within the organization, all employees must participate in the process (L. Sager, 2013).

This study presents the results of our examination of various forms of internal communications, categorized according to their respective aims (Table 1). Furthermore, we present an elaborate exposition of the many mechanisms via which knowledge is conveyed within an organizational setting. Moreover, an examination of the third and fourth columns in Table 1 reveals a comprehensive evaluation of the advantages and disadvantages related to internal communications, with a special focus on the diverse categories and modes of dissemination.

As an example, we are going to provide an analysis of the Ukrainian bank "PUMB's" communication system ("PUMB" or "FUIB" in English). According to the international rating agency Fitch Ratings, FUIB was expected to be among the banks with a stable grade (level "B") in 2021. In comparison to domestic banks, the FUIB bank was affirmed at the "AA – (Ukrainian)" level in 2021 and 2023, according to the creditworthiness rating (Official website of the National Bank of Ukraine, n.d.; Official website of PUMB, n.d.).

We will investigate the company's primary communication links through relationships with the primary subjects of communication (stakeholders) (Figure 3).

Accordingly, FUIB's communication system encompasses both internal and external communication environments. So, we are going to describe its internal communications (Official website of the National Bank of Ukraine, n.d.; Official website of PUMB, n.d.).

FUIB has taken substantial measures in recent years to strengthen communication relations, both inside the organization and with external stakeholders.

In 2021, the field of communication policy was strengthened by amending the Code of Corporate Ethics following the NBU's current standards (Official website of the National Bank of Ukraine, n.d.; Official website of PUMB, n.d.).

Table 1

Characteristics of types of internal communications based on their specific objectives

Type of communication	Types of information transmission	Merits	Drawbacks
Vertical communication within an organizational hierarchy (downwards)	strategic plans, directives, orders, regulations, instructions, reports	The utilization of a formal communication strategy, employing a logical approach to disseminate information to staff, and maintaining a well-defined management vision	The utilization of an incorrect channel may result in the misdirection of communication, while alerts have the potential to be concealed or altered, and excessive amounts of information can lead to a state of overload
Upward communication (bottom-up) communication	Reports, presentations, meetings with management, opinion polls, lunches, dinners, corporate holidays, birthdays held jointly with the administration	The acquisition of novel ideas and information, as well as their subsequent dissemination to management, plays a crucial role in fostering employee engagement and motivation	Fear of public speaking, concealing errors or blunders, managers hearing but not listening, changing or stealing ideas
Diagonal Communication	Meetings, assemblies, consultations	Coordination of operations of linear and functional units in the bank	Occurrence of conflict situations, violation of the principle of sole authority
Horizontal (side) communications	meetings, quality circles, chats for sharing information and ideas, knowledge, and best practices	enhances collaboration (teamwork), facilitates information dissemination, fosters talent and experience sharing, and mitigates reliance on hierarchical leadership	the manager is not sufficiently involved, and may not work in a competitive environment
Informal communication	coffee breaks, informal meetings, celebrations, trainings, etc.	the rapid dissemination of messages fosters a sense of unity and cultivates a collective identity. It may be seen as a form of social experiment, characterized by its inherent tranquility and organic nature	the dissemination of information can exhibit unpredictable patterns, leading to the rise of gossip and distortion. In certain instances, information may not be accurately documented, and individuals may deviate from the intended topic. These factors have the potential to inflict harm

Source: formed by the authors using (T. Burmaka & K. Velykykh, 2019; A. Lyzanets et al., 2022; O. Potsulko, 2019; O. Todorova, 2015; 2018; EU4PFM, n.d.).

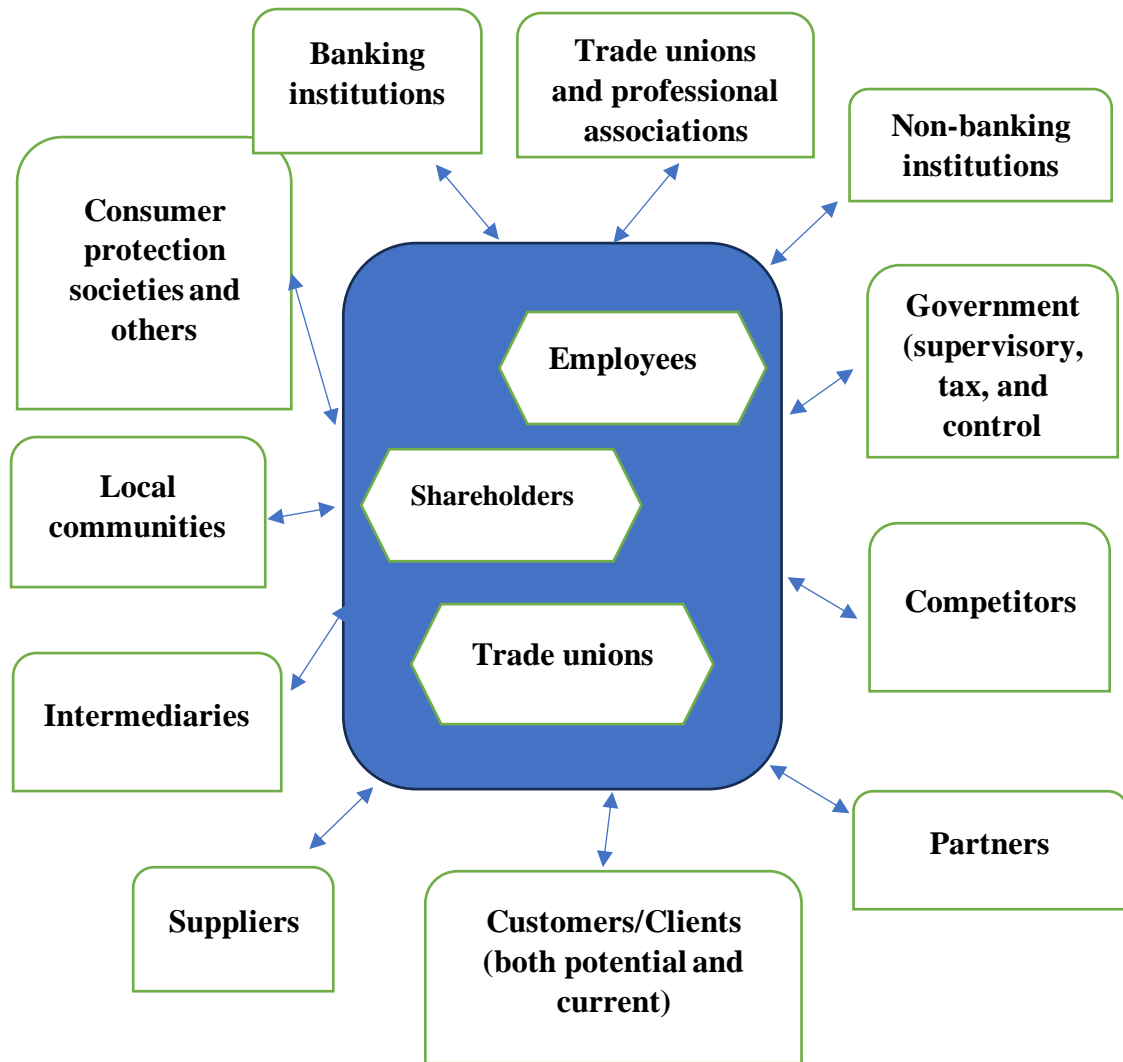


Figure 3. The primary links (channels) for communicating with the bank's stakeholders

Source: compiled by the authors relying on the analysis of the bank's official information (Official website of PUMB, n.d.).

The Code specifies that communication linkages with both external and internal counterparties are carried out by a variety of business ethical norms, which serve as the foundation for communication relationships, namely:

1. Honesty and integrity in relations within the bank
2. Honesty and integrity in relations with colleagues
3. Honesty and integrity in relations with shareholders and investors
4. Decency in relations with clients, business partners, and other interested parties
5. Decency in relations with competitors
6. Respect for the individual and observance of human rights
7. Transparency and openness
8. Rejection of bribery and combating corruption
9. Sustainable development and social responsibility
10. Legality and rule of law

11. Legality and rule of law (Official website of the National Bank of Ukraine, n.d.; Official website of PUMB, n.d.).

The “eNPS” initiative (abbreviated from the English Employee Net Promoter Score) was established to enhance internal communications by management. Its goal is to create human capital and improve communications. The project was launched at the suggestion of FUIB’s Department for Work with Personnel.

The primary purpose of the project to improve internal communications was to stimulate employee initiative, modify company culture, and instigate change. The eNPS initiative began in 2017 and involves over 8,000 workers of the corporate entity under investigation. A yearly survey for eNPS methodology is undertaken, which aids in identifying problems in the communication system and setting directions for enhancing the management system. Thus, 89 % of workers participated in the 2020 poll, 12,000 questionnaires were distributed, and 88,000 public comments were received (Official website of PUMB, n.d.).

The Employee Experience Management System was also launched in 2019 to facilitate internal interactions within the project. The system identified five activity vectors for this one and applied them to 60 team projects. The implementation of this system improved the bank’s communication links through the use of tools such as improving everyday working conditions in the bank, increasing motivational effectiveness, implementing team-building and career tool movements, digitizing communications, and so on (Official website of PUMB, n.d.).

The installation of the eNPS communication system upgrade resulted in a 5 % increase in profit per employee; the system’s efficacy was also demonstrated by the bank’s record profit in its whole history of UAH 2.6 billion in 2019.

As a result of the project’s implementation, the eNPS indicator in FUIB increased by 12 % (from 28 to 40), the assessment of employee satisfaction with the employer increased by 0.6 points (from 0.91 to 0.97), and indicators such as engagement, satisfaction, and loyalty increased by 5 %, while staff turnover decreased by 5 % (Official website of PUMB, n.d.).

During the period of quarantine restrictions and the COVID-19 pandemic, there were substantial modifications to the communication infrastructure. Due to the pandemic, there arose a necessity to include digital solutions and Internet connectivity throughout the whole spectrum of management and commercial operations.

Changes in communication and management systems have resulted from digital developments in the management system. Therefore, bank administrators recognized the requirement for communication linkages and the adoption of the Agile direction (flexible team management system) when establishing a digitization plan. The corporation declined to outsource and instead proceeded to build a competent IT team of specialists within the bank, including people from several sectors.

The most recent organizational solution generated a mobile application called “PUMB Online,” which was downloaded 2.2 million times in a year and received a 4.8 out of 5 rating from consumers (Official website of PUMB, n.d.).

Nowadays, the FUIB organization is working on several strategic initiatives, with around ten teams interacting with clients and improving the technological foundation of communication links (Official website of PUMB, n.d.).

Experts believe that in order to connect with employees within the organization effectively during internal communications, it is crucial to follow certain rules and guidelines. One approach to surmounting the aforementioned challenges is adhering to the criteria governing the establishment of an internal communication system:

- valuing the employee's individuality and professional role;
- impartial evaluation of workers;
- acknowledgment of the employee's constructive impact on the bank's operations;
- promotion of employee motivation and commendation (EU4PFM, n.d.; O. Potsulko, 2019; J. Hellevig, 2012; O. Lozovskiy, 2021).

As a result of the analysis, the primary goal of internal communication has been identified: the development of a healthy corporate culture that supports the business development strategy and aids in the achievement of the company's goals by increasing employee loyalty and motivation.

However, many interpersonal barriers (individual perception and interpretation of message content; limited information capacity of perception (short-term memory); inability to listen to another person, etc.) and organizational, technical, and other interference (distortion of message content; information overload of the existing communications system, etc.) stand in the way of effective communication at all stages of the company's activity.

Having explored the opinions of scholars (A. Lyzanets et al., 2022; O. Lokotkova-Ternova, 2020; L. Sager, 2011; O. Todorchuk, n.d.; A. Vercic et al., 2012; J. Wood, 2016, et al.), we conclude that to enhance the effectiveness of interpersonal communications, it is essential to:

- explain your ideas before you begin to express them (transmit them to other people);
- be sensitive to possible semantic problems;
- monitor your facial expression, gestures, posture, and intonations;
- express openness and willingness to understand;
- seek feedback using particular methods (ask questions; ask the interlocutor to convey your thoughts; evaluate the language of posture).

Ways for overcoming organizational communication barriers include:

- the development of a feedback system;
- the regulation of information flows;
- the development of management actions to facilitate vertical and horizontal information exchange;
- the development of a proposal collection system;
- the use of intra-organizational information systems such as corporate printed publications, wall newspapers, stands, the Intranet, and so on;

- the application of modern information technology achievements.

Conclusions. It can be inferred that the current investigation has yielded the subsequent findings. We have provided a comprehensive analysis of the concept of “internal communication” relating to the banking system by examining it from multiple perspectives. Furthermore, we have categorized various types of internal communication tools, examined and generalized their respective advantages and disadvantages, and summarized the objectives of establishing a comprehensive internal communication system within a bank, with a particular emphasis on the primary goal. Concurrently, we studied and classified the barriers to effective communication in financial institutions.

Based on the findings, there exist distinct strategies for mitigating the effects of surmounting individual barriers, necessitating a comprehensive approach that considers the characteristics of all participants involved in the communication process. Moreover, a feedback principle should guide the implementation of these measures, particularly when addressing personal obstacles.

In our opinion, to enhance communication effectiveness, it is necessary to employ several strategies. These include providing clear explanations of messages, demonstrating comprehension, engaging in open and honest conversations, monitoring one’s behavior and the reactions of the interlocutor, coordinating information flows within the organization, simplifying information exchange processes, attending to the intonation of messages and the potential for ambiguity in their interpretation, utilizing modern technologies for more precise and expedient data exchange, and engaging in comprehensive communication practices. However, it is essential to establish a communication system that is founded upon the notion of feedback. The major objective of adopting the formation will only be achieved via the enhancement of employee loyalty and motivation within a robust corporate culture that aligns with the bank’s development plan and facilitates the attainment of its goals.

Furthermore, it is posited that the improvement of communicative interaction within the personnel management system of the bank can be achieved through the implementation of diverse measures. These measures include the establishment of a unified information system, an electronic document management system, and CRM systems, as well as the facilitation and promotion of both horizontal and vertical communication interactions. The internal communications inside the financial management system are susceptible to several dangers that need careful consideration. The hazards encompassed in this context are insufficient feedback, the existence of restricted or repetitive information, and the flaws connected with the selected communication methods and technologies.

The process of researching the internal communication of a bank entails its own particular set of impediments or constraints. Among these limitations are the following:

- Banks manage sensitive information, not only about their clients but also about their operations, plans, and financial particulars. Confidentiality is an important concern in the banking industry. Any inquiry into internal communications must adhere

to these restrictions, which place a significant constraint on both the depth and scope of the investigation.

- **Restrictions Implied by Regulations.** The financial services industry is subject to several restrictions implied by regulations. Even for the research, there *may be restrictions in place* that ban some kinds of internal communication from being viewed or disseminated. These *regulations* might be in existence.

- **Aversion to Risk.** As an industry, banks are often quite risk-averse. Because of the possibility that the results may be used against them or show flaws, they may be hesitant to let researchers access internal procedures.

- **The environment that is constantly changing.** The financial services industry is always changing as a result of advancements in technology, new regulations, and the ever-changing market. This indicates that communication patterns and techniques may also swiftly shift, rendering some research irrelevant by the time it is published.

- **Banks typically have a strict hierarchical structure,** which can impede the flow of information because of the potential for miscommunication. Researchers may encounter difficulties while attempting to comprehend and move about in this system.

- **Variability.** Even within the same financial institution, departments or geographic areas may have very different communication strategies. Because of this, it might be challenging to derive conclusions that are applicable more broadly.

- **Employee Reluctance.** Employees may be hesitant to engage in research or to be open and honest about communication issues because they are afraid of the penalties or misconceptions that may result.

- **Researcher Bias.** It is possible for there to be biases in the way data is collected, evaluated, and presented if the study is being undertaken by someone who is linked with the bank or who has vested interests.

- **Access to Real-time Communication.** While observing real-time communication might yield useful insights, acquiring access to instances of real-time communication (such as meetings, phone conversations, or even digital communication) can be difficult owing to issues about privacy and confidentiality.

- **Dependence on Self-reported Data.** Researchers frequently have to rely on the data that workers describe about themselves, which may or may not be accurate or indicative of the actual communication dynamics.

Due to the limitations imposed by technology, contemporary banks make use of a wide array of digital tools and platforms for communication. A technical understanding is required to comprehend the complexities of these technologies and the effects they have on communication.

To overcome these obstacles, researchers need to employ a variety of study approaches, maintain an extremely high level of secrecy, and earn the participants' confidence. Additionally, it is essential to be consistently current with the ever-shifting dynamics of the financial industry.

Given the pivotal role that internal communications play in the functioning of banking entities, the findings of this study have the potential to inform future

advancements about the integration of internal communication practices inside banking institutions.

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