ORGANIZATION OF INTERNAL COMMUNICATION AND ITS RISKS AMONG THE REGIONAL INSTITUTIONS OF THE LATVIAN BLOOD DONOR SERVICE

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Annotation
The internal communication of the institutions included in the Latvian Blood Donor Service’s regional system and its risks after the Service has been optimised were researched in the paper. After an analysis of economic literature, the authors researched the role of communication, especially that of internal communication, in an organisation as well as the role of information circulation in an organisation’s work. A model for the flow of internal formal information among the State Blood Donor Centre and the Blood Preparation Departments was developed and described in the paper. According to an expert survey conducted by the authors, the risks of internal communication for the main institutions included in the Latvian Blood Donor Service’s regional system were identified and grouped, as well as their impact was characterised and a result of positioning the risks was presented.

Keywords: Latvian Blood Donor Service’s regional system, internal communication, risks.

Introduction
In a regional economy and policy, an important role is played by health care, as human life and health is the only precondition and criteria for any other value. The performance of health care institutions is impacted by supply of blood for planned and urgent medical operations. This important task is executed in Latvia by the institutions included in the Latvian Blood Donor Service’s regional system. On January 1 2007, significant organisational changes took place in the operation and structure of the Latvian Blood Donor Service’s regional system. Based on the “Operational and Structural Optimisation Concepcion for the Blood Service of the Republic of Latvia 2006-2010” elaborated by the State Blood Donor Centre (hereinafter in the text the SBDC), a new procedure of financing the Blood Preparation Departments (hereinafter in the text the BPDs) at medical institutions was introduced and the number of BPDs was reduced from 18 to 10.

Presently the SBDC with its affiliate in Rezekne, the BPDs of 9 hospitals, and the blood offices of 50 hospitals in all the regions of Latvia are included in the Latvian Blood Donor Service’s regional system. Along with the restructuring of the Latvian Blood Donor Service’s regional system, technologies for preparing blood components were improved and information technologies were introduced at each medical unit. The main goal of optimising the structure of the Blood Donor Service’s regional system was to change the principle of self-supply for the principle of centrally supplying blood in the whole country at the medical institutions having a BPD. This conceptual change means that the circulation of information and communication in the Latvian Blood Donor Service’s regional system have to operate perfectly, thus ensuring the rights of all Latvian residents in receiving quality medical services.

Theoretical framework of the research
The development of the Latvian Blood Donor Service’s regional system, its internal communication and information circulation, and its management problems have been insufficiently researched till now. Over the recent years, several authors have researched problems such as personnel management (Lāce, Lokmane, 2008), quality management (Daugavvanaga, 2005; Miņina, 2007; Vīmane, 2008), and financial management (Lange, 2008) in the Latvian Blood Donor Service’s regional system.

Hypothesis: the operation and development of the Latvian Blood Donor Service’s regional system is impacted by the risks of internal communication and information circulation, which can be identified and their impact can be determined.

The research aim is to investigate the role of internal communication by characterising its operation and by identifying the risks of internal communication for the main institutions included in the Latvian Blood Donor Service’s regional system.

To achieve the aim, the following research tasks were set forth:
1. based on the economic literature, to investigate the role of communication and its main components – internal communication and information circulation – in an organisation;
2. to develop and describe a model for the flow of internal formal information among the SBDC and the BPDs;
3. to identify and group the risks of internal com-
communication for the main institutions included in the Latvian Blood Donor Service’s regional system as well as to characterise their impact.

Methods used in the research. The methods of analysis and synthesis, the monographic and logically constructive methods, documentary analysis, and an expert survey were used.

Results and discussion

1. The nature of communication and its performance characteristics

Communication as a process of two-way information flow provides mutual understanding. A need for communication arises from the organisation itself and the nature of its operation. Since any organisation consists of a group of individuals who are mutually interdependent in their work, communication becomes an obligatory precondition for executing the functions performed by individuals in accordance with the objectives of an organisation. Communication has to include contacts among an enterprise’s managers and employees as well as partners outside this organisation (Hall, 1982).

Nowadays, communication processes cannot be understood without acquainting ourselves with the works of three authors: economist, social theorist, and revolutionary practitioner Carl Marx (Marx, 1818), Austrian psychiatrist Sigmund Freud (Freud, 1856), and revolutionist in romanticism theory Friedrich Nietzsche (Nietzsche, 1844). Each of these great minds, owing to their theoretical activity, has developed not only a theory or an explanatory model, but a whole conceptual “continent”, a research field or a method that are perfected and continuously extended. As to the basic idea of all these theories – if they are attributed to communication – a question arises about the acting agent of communication: To what extent - what and how it is communicated - depends on me? What are the boundaries of communication? Do I speak or I am spoken?

After analysing inferences of theoreticians on interpreting the operation of communication, one can conclude that W. Schramm’s communication model (Schramm, 1954) is mostly used (see Fig. 1.1).

![Fig. 1.1. Schramm’s communication model, 1954](source: University of Illinois Press, 1954.)

Schramm’s model is developed on the basis of a mathematical model created by Shannon and Weaver (Shannon, Weaver, 1949), which was elaborated to explain the behaviour of electrical signals. A scheme of communication process consisting of a communicator, a message, and a recipient is used to explain Schramm’s operation of communication irrespective of a type of communication. Besides, Schramm believes that any message is both coded and decoded by the sender and the recipient simultaneously. According to Schramm, communication is bilateral and any message could have different meanings, depending on its context, or the culture of recipient and communicator.

According to Schramm’s communication model, any sent message has a certain influence on the recipient. If an individual has not achieved mutual understanding with the one (those) to whom he or she tries to deliver information or establish contacts, one can say that communication did not take place. Communication takes place only if an idea that emerged in the mind of an individual is received by the mind of another individual in a way that ensures its comprehension and use. The existence of feedback shows whether communication did take place. Feedback is a signal sent by the information recipient to the communicator as confirmation of information reception, and it shows the level of comprehension or incomprehension of the information included in the message. The main imperfection of Schramm’s model is the fact that it deals with bilateral, linear communication, but multi-level communication among several agents is outside this model. Besides, noises of surrounding environment influence all the above mentioned elements of communication process. Depending on the strength of these noises, the communication process is more or less subject to the risk of change.

In order to have communication, at least two indi-
individuals, information, and information delivery means are necessary. Communication is classified into:

- unilateral communication;
- bilateral communication.

Unilateral communication, as a faster one, does not convince its participants that information is received because there is no feedback giving confirmation. Bilateral communication is a slower one because the communicator has to give a more detailed explanation of question or problem, and the recipient has to respond to the communicator, however, its participants are much more convinced of correct comprehension of information. A possibility to analyse the recipient’s reaction and to determine whether the sent information is correctly understood is very important in the communication process.

The communication process is very sensitive to distortions, as it consists of elements that are interrelated to each other (Fig. 1.2):

**Fig. 1.2. Elements of communication process**

*Source:* constructed by the author on the basis of the research

- Selection and structuring of information begins with the selection of information and ends with the formulation of intention. The communicator decides which information is useful to become a topic of communication as well as structures the information to be sent.
- Coding is a choice of symbols used for delivering information. These symbols could be not only written or expressed in words, but also gestures, voice intonations, body language, face expressions etc. Coding can be influenced by the individual’s mood, previous relations with an individual to be informed and by a way regarded as the best one for expressing information. An appropriate channel has to be chosen, which is connected with the symbols and allows coding.
- Information delivery. An important role is played by a means and a channel of information delivery. The most popular means of expressing information delivery are words and actions. A channel of information delivery is a pathway through which information is delivered to its recipient. The most popular channels are a speech, written messages, and electronic means of communication. Choosing an information medium is as important as choosing a channel of information delivery. There are various approaches in classifying communication channels; they are classified by:
  - communication type (form);
  - direction of information delivery;
  - contact with a communication partner;
  - external form.
- The reception and decoding of information is much more complicated as compared to just hearing it. An ability to perceive an idea or a term from an opinion of another individual is necessary, trying to understand not only his or her words, but also thoughts. Listening includes the perception and interpretation of information.

2. The nature and role of internal communication in an organisation

An irreplaceable component of communication in an organisation is internal communication; it is any kind of information that spreads inside an enterprise
in an intentional or unintentional way. In an organisation, the objectives of internal communication differ from the objectives and tasks of external communication, as the objectives of internal communication are oriented towards selling its goods and services to external clients. The objective of internal communication is to inform employees about their work and the organisation’s development. Another objective is to gain the trust and loyalty of employees and to encourage a feeling that they belong to this organisation and are engaged in its development. As a result of internal communication, a group of individual employees become a loyal and responsible team. It works together to achieve the enterprise’s objectives and ensure its successful growth by using internal human resources.

There are two approaches for internal communication in the science of communication: Japanese and American (Ruch, 1984). These two approaches emerged on the basis of cultural features in these countries. In the American approach, internal communication is provided for transmitting information fast; it is direct, effective and tempts a confrontation. The Japanese corporate internal communication also transmits information, however, its main element is peace and emotional stability. In Japan, the strongest motivation is “corporate spirit” – an employee “melts” into the firm and is loyal to its ideals. This idea is based on group psychology when public interests are above personal ones, besides, Japanese believe that corporative activity is useless if a firm cares only of making profit and feels no responsibility towards society.

The both approaches, even being different, are able to work effectively. Table 2.1 shows a comparison of both approaches according to various communication criteria.

<table>
<thead>
<tr>
<th></th>
<th>Japanese approach</th>
<th>American approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main objective</td>
<td>Employment retention, improvement of working conditions for employees, increase in profit</td>
<td>Increase in annual profit and investment dividends</td>
</tr>
<tr>
<td>Responsibility</td>
<td>“The whole group is responsible for work”</td>
<td>“Everyone is responsible for him or herself”</td>
</tr>
<tr>
<td>Orientation</td>
<td>Towards perspective and stability</td>
<td>Towards profit</td>
</tr>
<tr>
<td>Main motivation</td>
<td>Ideology</td>
<td>Profit</td>
</tr>
<tr>
<td>Decision making</td>
<td>In the group. Bottom-up</td>
<td>Individual. Top-down</td>
</tr>
<tr>
<td>Work atmosphere</td>
<td>“The whole firm as a family”. Harmony</td>
<td>Strong competition. Distrust</td>
</tr>
</tbody>
</table>

**Source:** developed by Marija Sedova, 2008

Business communication in both countries is characterised by its direction: American companies have strong top-down information flows, while Japanese companies have strong bottom-up information flows. Researcher Ruch believes that Japanese and American organisations are not able to learn much from each other. In fact, the only thing that Americans should learn from Japanese is their strong bottom-up information flow. However, Japanese should learn from Americans their fast decision-making practices.

### 3. Internal communication among the main institutions of the Latvian Blood Donor Service’s regional system

The strategy of internal communication defines formal ways of communication between an organisation’s managers and employees. This strategy classifies communication into formal and informal. Formal communication is all the information that is transmitted from employees to managers or vice versa – travels among several units of an enterprise both horizontally and vertically. Vertical communication is a flow of information upwards or downwards in accordance with an organisational structure established between managers of different levels and employees.

In Fig.3.1, the authors developed a model for the flow of internal formal information among the SBDC and the BPDs.

An information filter that functions for selecting information for every BPD ensures that a BPD receives particular information addressed to it. Further, the BPD structures, classifies, and processes the received information and transmits it through a particular channel further.

Formal communication includes various informative messages, instructions, meetings, internal newspapers, the Internet, as well as conversations with the manager face to face. However, informal communication is out-of-office activities, informal conversations, and rumours. Informal communication can be also called emotional communication, and it can be controlled by the means of personal communication.
Fig. 3.1. Model for the flow of internal formal information among the SBDC and the BPDs

Source: constructed by the author on the basis of the research

The institutions included in the Latvian Blood Donor Service’s regional system are now communicating by the means of formal communication: e-mail, meetings, SBDC internal newspaper „Latvijas Asins dienesta vēstis” (Latvian Blood Donor News), various instructions and messages. It can be explained by large distances among its units and by the lack of funding to establish informal communication.

To achieve a long-term result, the program of internal communication has to be based on a strategic plan; it needs an integrated, all-embracing approach.

4. Organisational risks of internal communication for the main institutions of the Latvian Blood Donor Service’s regional system

To better understand the nature of risk, one can start with a definition for the term threat. A threat is any event due to which an organisation might suffer losses. However, a risk is a bearer of both threats and losses and also successes. Therefore, any risk has a deterrent and a promising side. Risking means going towards unknowns and possible dangers for benefiting from them. Any risk is neither good nor bad – it just exists. Risk as a term is used in many sciences. The word risk, translated literally, means to accept a decision the result of which is unknown, i.e. not safe.

Risks are complex, multiform, and contradictory. To classify risks, various criteria are used, by means of which particular risks can be grouped. Since there is no single definition of risk, there is no single approach in classifying and grouping risks (Stanka, 2004; Zvaigzne, 2005; Pettere, Varonova, 2004; Šuškeviča, Šembelis, Golko, 2005).

The risks of internal communication, which are closely related to the threats of internal communication, for the main institutions included in the Latvian Blood Donor Service’s regional system can be divided into two basic groups:

- Medical risks (risks that impact the preparation, dissemination, preservation, and transfusion of blood and blood components);
- Administrative risks (risks that do not directly impact the quality and safety of blood and blood components, but impact the performance of institutions included in the Latvian Blood Donor Service’s regional system).

The risks included in the basic groups contain also several interrelated and subordinate risks that have different levels of impact: high, average, or low. A rating of risk impact level depends on the type and impact level of risk (see Table 4.1).
### Evaluation of the impact of identified risks

<table>
<thead>
<tr>
<th>Risks</th>
<th>Rating of risk impact</th>
<th>Evaluation of risk rating</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medical risks of internal communication and their impacts</strong></td>
<td></td>
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</tr>
<tr>
<td>Risk 1 - failures in the flow of operational information among the institutions included in the Latvian Blood Donor Service’s regional system</td>
<td>H - high</td>
<td>threatens the health and life of clients, hinders the provision of health and social care and rehabilitation activities</td>
</tr>
<tr>
<td>Risk 2 - lack of information feedback from the Blood Offices and the BPDs regarding donor contraindications during the transfusion process etc.</td>
<td>A- average</td>
<td>delays and hinders the provision of quality health and social care and rehabilitation activities for clients</td>
</tr>
<tr>
<td>Risk 3 – omission of undesirable incidents and side-effects during the process of transfusing blood and blood components</td>
<td>H - high</td>
<td>delays the operation of the institutions; requires repeatedly attracting donors to get quality blood components</td>
</tr>
<tr>
<td>Risk 4 - lack of operational information on inventories of blood components</td>
<td>L- low</td>
<td>hinders the provision of quality health and social care and rehabilitation activities for clients</td>
</tr>
<tr>
<td><strong>Administrative risks of internal communication and their impacts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk 5 – lack of formal communication</td>
<td>A- average</td>
<td>various uncertainties might arise, which can hinder the operation of all the institutions in the future</td>
</tr>
<tr>
<td>Risk 6 – procedure of financing the institutions included in the Latvian Blood Donor Service’s regional system</td>
<td>H - high</td>
<td>can threaten the operation of the institutions and the whole health care system</td>
</tr>
<tr>
<td>Risk 7 - lack of informal communication among the institutions included in the Service</td>
<td>L - low</td>
<td>delays the operation of the institutions</td>
</tr>
<tr>
<td>Risk 8 – poor computer skills of employees</td>
<td>A- average</td>
<td>hinders the processing of internal information data and the flow of information</td>
</tr>
</tbody>
</table>

**Source:** developed by the authors on the basis of the research

The following risks of internal communication belong to medical risks:
- failures in the flow of operational information among the institutions included in the Latvian Blood Donor Service’s regional system (for instance, the blood donor data base that provides information on any blood donor and his/her contraindications for blood donation and intervals between blood donations is updated only once a day – by the end of a working day. It creates a risk of preparing blood components that are later rejected as defective as well as allows any donor to donate his/her blood at two medical institutions during one day. It is not allowed both due to threats to the donor’s health and due to the quality of blood components);
- lack of information feedback from the Blood Offices and the BPDs regarding donor contraindications during the transfusion process and transfusion reactions of clients, as well as data on amount of blood components that have been actually used and rejected as defective;
- omission of undesirable incidents and side-effects during the process of transfusing blood and blood components;
- lack of operational information on inventories of blood components at the institutions included in the Latvian Blood Donor Service’s regional system;

The following risks of internal communication belong to administrative risks:
- lack of formal communication among the institutions included in the Latvian Blood Donor Service’s regional system (the SBDC methodologically manage the BPDs and the Blood Offices, but there is no feedback from the institutions involved in communication);
- procedure of financing the institutions included in the Latvian Blood Donor Service’s regional system (the SBDC is financed from the government budget, but the BPDs are financed from two sources: the SBDC budget and budgets of these medical institutions), which threatens the functioning of the BPDs and Blood Offices in accordance with instructions of the SBDC in case of insufficient funding;
- lack of informal communication among the institutions included in the Service;
- poor computer skills of employees; as a result, employees of the institutions included in the Latvian Blood Donor Service’s regional system do not use the Internet.
Fig. 4.1. Risk positioning for the identified risks

Source: constructed by the author on the basis of the research

By using the data of Table 4.1 and by taking into account the opinions of experts on risk probability, a risk positioning diagram was constructed (see Fig. 4.1), which can provide the following assistance:

- managers of the institutions included in the Latvian Blood Donor Service’s regional system could easier make various decisions;
- work of employees at the institutions included in the Latvian Blood Donor Service’s regional system is facilitated;
- it provides a structured way of documenting the movement of risks in one or another direction;
- it ensures the transparency of risks, taking into account the probability of any risk and their impact on the performance of institutions.

Fig. 4.1 shows that the probability of identified internal communication risks is average or high. According to the experts, the most dangerous risks are as follows: the omission of undesirable incidents and side-effects during the process of transfusing blood and blood components (Fig. 4.1 – Risk 3) and the procedure of financing the institutions included in the Latvian Blood Donor Service’s regional system (Risk 6).

Conclusions and recommendations

1. Schramm’s (1954) communication model consisting of a communicator, a message, and a recipient is mostly used for interpreting communication in organisations.
2. The objective of internal communication is to inform employees about their work and the organisation’s development, to gain their trust and loyalty and to encourage a feeling that they belong to this organisation and are engaged in its development.
3. The Latvian Blood Donor Service’s strategy of internal communication defines formal ways of communication between an organisation’s managers and employees both in a horizontal and a vertical direction.
4. The program of internal communication for the institutions included in the Latvian Blood Donor Service’s regional system has to be based on a strategic plan; it needs an integrated, all-embracing approach.
5. After identifying and evaluating the impact of medical risks of internal communication, it was found that the lack of operational information flow or its failures among the institutions included in the Latvian Blood Donor Service’s regional system and the omission of undesirable incidents and side-effects during the process of transfusing blood and blood components have very high risk ratings.
6. The procedure of financing the institutions included in the Latvian Blood Donor Service’s regional system was identified as an administrative risk of internal communication having a high probability, which could threaten the operation of these institutions and the whole health care system.
7. The institutions included in the Latvian Blood Donor Service’s regional system have to take into account the identified internal communication risks, their negative impacts and to find ways of eliminating them by elaborating recommendations for the strategic plan.
References

Зане Мистре, Анда Зваигзне

Организация внутренней коммуникации и с ней связанные риски между институциями региональной системы Латвийской службы доноров крови

Резюме

В развитии региональной экономики и политики значимую роль имеет здравоохранение, ведь здоровье и жизнь человека является единственным условием и критерием любой другой ценности. На работу лечебных учреждений здравоохранения влияет обеспечение кровью планомерных и неотложных нужд. Эту важную задачу в Латвии выполняют институции включённые в региональную систему Латвийской службы доноров крови – Государственный центр доноров крови с филиалом в Резекне, 9 отделений по заготовке крови и 32 кабинета крови в больницах, во всех регионах Латвии.

В статье изучена внутренняя коммуникация и ней связанные риски в институциях включённых в региональную систему Латвийской службы доноров крови после введения оптимизации 1го января 2007 года.

После проведенного автором анализа экономической литературы, изучена коммуникация, особенно роль внутренней коммуникации в организации, а так же значение оборота информации в работе организации.

В статье сформирована и характеризована модель потока формальной внутренней информации между Государственным центром доноров крови и Отделениями по заготовке крови. После проведенного автором опроса экспертов идентифицированы и группированы риски связанные с внутренней коммуникацией между главными институциями региональной системы Латвийской службы доноров крови, а так же характеристировано их влияние и создана карта нахождения рисков.

Ключевые слова: региональная система, Латвийская служба доноров крови, внутренняя коммуникация, риски.