EFFECTIVE INTERNAL COMMUNICATION: A CRUCIAL FACTOR AFFECTING EMPLOYEE PERFORMANCE

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ABSTRACT

In today’s world of globalization and technological advancement ‘Effective internal communication’ is a pre-requisite for organizational stability and success. Communication not only integrates different units and functions in an organization but also affects the ability of managers to engage employees in a manner that leads to better performance. Communication experts and practitioners have constantly reiterated the need for effective internal communication as a major factor leading to organizational success. In such a scenario it becomes necessary to explore the relationship between organizational communication and employee performance. This study was therefore carried out to investigate the relationship between internal communication and employee performance in public sector organizations in Bangalore city, Karnataka, India. Data for the study was collected using questionnaire as a research instrument with sample population of 40 respondents. The result of the study reveals that a significant relationship exists between internal communication and employee performance. The study advances theoretical knowledge concerning the role of internal communication and how internal communication affects performance with its practical implications. It also provides a more comprehensive outlook on the objectives which might be assigned to internal communication in order to support organizational success.

INTRODUCTION

Communication is one of the most dominant and important activities in organizations (Harris & Nelson, 2008). This is so as communication is required for transmitting ideas and opinions, making plans, executing decisions, sending and fulfilling requests and cracking deals. When effective communication ceases to exist un-co-ordinated activities return to an organization. Communication helps individuals and groups coordinate activities to achieve goals. It plays a significant role in socializing, executing decisions, problem-solving and change-management processes. The basic requirement to function properly in the business environment is to have excellent ‘internal communication’. “Internal communications can be defined as transactions between individuals and groups in organizations at various levels and in different areas of specialization” (Frank & Brownell, 1989 cited in Dolphin, 2005). Kalla (2005) defines internal communications as “all formal and informal communication taking place internally at all levels of an organization” (p. 304) Internal communication is the transmission of information within the organization between members or parts of the organization for business purposes. It takes place across all levels and units of an organization. Deetz (2001) defines internal communication as “the central process through which employees share information, create relationships, make meaning and “construct” organizational culture and values”.

Internal communications is essentially a management discipline facilitating strategic communication between leaders, managers and employees. Internal communication provides employees with vital information about their jobs, organization and its environment. A robust internal communication system can lift morale, help create contented employees who are more productive, and allow management to develop its brand through better performance. Effective Internal Communication ensures that employees are committed to achieving business goals, thereby improving productivity and performance. With the advancement in technology organizations have found ways to enrich communication with employees
through the use of digital and social media which facilitates two-way dialog replacing the age old top-down communication approach. With the change in business practices and communication technologies good internal communication has become a strategic approach to professional development.

Earlier internal communication was more about focusing on one-way transmission of messages but as a result of new media and high-speed communication internal communication systems have become complex and dynamic. Nowadays organizational leaders and managers first develop strategies to achieve goals, construct appropriate messages and then transmit them through various channels to stimulate discussions among employees and members. Currently formal communications in organizations frequently follow a cascade approach where leaders at different hierarchical levels communicate with their respective employees. Employees also communicate through informal networks which are mostly interpersonal and horizontal.

In recent years, there has been a growing concern about internal communication systems in the world of ‘Corporate Communication’. Argenti (1996, p. 94) rightly points out that “no other corporate communication sub-function offers more of an opportunity for genuinely sought after research than employee internal communication”.

**REVIEW OF LITERATURE**

Both analytics and experts in the field of communication have indicated that in the 21st century organization’s internal communication determines how effective, fruitful and performance-oriented an organization is. A review of the literature with respect to internal communication reveals a central, shared emphasis on the issues of control and coordination through proper communication.

Beyond the extensive research done on Internal Communication and Employee Performance disjointedly; the past few decades have witnessed, some work done by researchers on the relationship between organizational communication and employee performance. Only few studies, though, have documented associations specifically between organizational communication and job performance which include the significant work done by Jain (1973) Pincus (1986) and Clampitt & Downs, (1993).

Jain (1973) tested the relationship between the communicative effectiveness of hospital supervisory personnel and their performance as perceived by their subordinates. A questionnaire interview format was used to examine this relationship. The parameters used for the study were the frequency of communication between superior and subordinate, the patterns of communication behaviour, the awareness of employees regarding policies and procedures, the satisfaction levels of employees with the system of communication and channels of communication used. Results showed positive correlations between communication effectiveness and job performance.

Pincus (1986) conducted a survey on 327 hospital nurses in United States using a reformed version of the Communication Satisfaction Questionnaire (CSQ) developed by Downs and Hazen (1977). This study was conducted to study the link between employee perception of organizational communication satisfaction and both job satisfaction and job performance. He identified three significant communication dimensions namely informational, relational, and informational/relational in which he measured nine communication factors.

The results showed employee perception of organizational communication satisfaction related significantly to both job satisfaction and job performance. It was however noticed that the communication satisfaction-job satisfaction link was stronger than the communication satisfaction-job performance link. The contributing factors for the relationship were identified as communication by supervisors, feedback mechanism, communication climate, and upper management communication. It was interesting to know that out of the four contributing factors three factors consisted of the informational/relational dimension, which Pincus (1986) described as having "dual focus on both informational and relational aspects of communication." Upper management communication, the fourth contributor, was a relational dimension. Using Downs and Hazen's (1977) Communication Satisfaction Questionnaire, Clampitt & Downs (1993) conducted a
study to observe the effects of employee communication satisfaction on employee job. This study identified organizational communication as a key driver to attain high levels of employee satisfaction which in turn lead to creating a positive work environment resulting in increased productivity. This study also indicated that management needs to engage employees in effective communication by providing them opportunities for communication to happen and building a culture of trust.

According to Smidts, Pruyn, & Riel (2001), it's the primary duty of the manager to create a fruitful internal communication climate by providing each employee opportunities to put forward their views, get involved and guide them for the attainment of goals.

According to Balondi, companies that are good at communication listen effectively to their employees, and also plan well. He describes that effective internal communication keeps the employees on the right track and it increases the performance of the companies. The results of the study indicate that companies which showcase effective communication; their estimated worth increases by 20 percent. (Balondi, 2006)

Yamaguchi (2009) was of the perspective that better communication between superiors and employees leads to good results in the organization. He further elucidated that effective communication can develop trust, reduce uncertainty, avoid conflicts, help to coordinate activities to achieve goals and change the attitude of employees for the desired outcomes.

Some of the recent studies conducted explore the connection between Communication and Performance. One such study conducted by Pedro Neves and Robert Eisenberger (2012) examined the relationship between management Communication and perceived organizational support and its consequences for performance. The study found strong evidence that different aspects of management communication are positively related to employee’s performance.

Another study was conducted by Udegbe, Maurice Inedegbor, Ogundipe Kehinde Ahmed Akitola Omobola Ganiyat, Kareem, Rashidat (2012) to investigate the impact of business communication on organizational performance in Nigerian companies. It was found that Nigerian companies generally accentuate effective business communication issues, and that, the degree of practices of effective business communication, were related to the type of business (service versus manufacturing) and its size. The results of the study suggest that business communication generally affects organizational performance to a reasonable extent in Nigerian companies.

Another research work by Asamu Festus Femi (2014) examined the relationship between communication and workers’ performance in some selected organizations in Lagos State, Nigeria. The study revealed that effective communication creates mutual understanding between management and workers. The study recommended regular communication between managers and employees with direct communication on issues of importance. It also suggested that organizations should work on removing the barriers to communication and create efficient and transparent communication mediums to improve employees’ performance. The results of the study revealed that a significant relationship exists between effective communication and employees’ performance.

OBJECTIVE

1. To study the role of internal communication in organizations and the ways in which it affects performance of employees.
2. To investigate the relationship between internal communication and employee performance.
3. To suggest ways to improve the internal communication system.

THE ROLE OF INTERNAL COMMUNICATION IN ORGANIZATIONS

The need for a suitable system of internal communication is crucial in any thriving organisation.

With active and strong communication employees are able to connect to their work better, having a clear
understanding of what they are expected to do at the workplace. This leads to better performance and higher productivity. Therefore the “key role of internal communication is creation of symmetrical frequent interactions (Dolphin, 2005; Welch & Jackson, 2007) and of positive exchange relationships upon which a trustworthy partnership between the organization and its members can be built”. (Boswell, 2006; Welch, 2012)

Therefore it can be established that effective internal communication can be beneficial in building a long-term relationship between management and employees thereby achieving greater future profit for the company.

It is also noteworthy to mention that the supervisor’s style of communication can deeply affect the nature of the relationships established as a result of the interactions between managers and their subordinates. This relationship also acts as a key driver of employees’ willingness to contribute to organizational objectives.

An organisation must make consistent efforts to regulate the internal communication system as this not only disseminates the corporate vision, but also helps the employees to transform information into action.

WAYS IN WHICH INTERNAL COMMUNICATION AFFECTS PERFORMANCE OF EMPLOYEES

- Greater awareness creates Greater efficiency

When the organization’s mission, goals and values are reinforced through the internal communication system, employees have better understanding of how their work could have an impact on overall organizational success and they are seen working towards achieving the same.

- Better Employee commitment

If the organization ensures that employees receive consistent messaging with regards to its missions, goals and values and in relation what role should they play in achieving the goals employees find greater meaning and purpose in their work and their commitment towards the organization increases.

- Improves Employee Morale

Communication is a key driver of employee morale. Positive two-way communication between managers and subordinates leads to good morale.

RESEARCH METHODOLOGY

Data for the study was collected using questionnaire as a research instrument. The questionnaire consisted of questions on the internal communication system in the organization, supervisory communication and on the respondents perception of the impact of communication on employees’ performance. Data collected has been presented in a tabulated form and analysis has been carried out.

Sampling plan: The sample size taken for the study was 40 respondents from public sector organizations at Bangalore city, Karnataka, India on whom a questionnaire was administered and information was obtained. The sampling technique adopted was random sampling
Table 1.1-Showing factors related to the internal communication system in the company

<table>
<thead>
<tr>
<th>Factors related to the internal communication system in the company</th>
<th>YES</th>
<th>NO</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Do you find the internal communication system in your company effective?</td>
<td>32</td>
<td>8</td>
<td>40</td>
</tr>
<tr>
<td>2 Does your company follow a structured communication system?</td>
<td>32</td>
<td>8</td>
<td>40</td>
</tr>
<tr>
<td>3 Open and honest communication is an important part of the culture of the company?</td>
<td>34</td>
<td>6</td>
<td>40</td>
</tr>
<tr>
<td>4 Does your company clearly communicate its policies, goals and strategies?</td>
<td>34</td>
<td>6</td>
<td>40</td>
</tr>
<tr>
<td>5 Does your company support two way communication between managers and employees?</td>
<td>34</td>
<td>6</td>
<td>40</td>
</tr>
<tr>
<td>6 Are Employees free to express their concerns and complaints?</td>
<td>34</td>
<td>6</td>
<td>40</td>
</tr>
<tr>
<td>7 Is horizontal communication with other employees healthy and free flowing?</td>
<td>34</td>
<td>6</td>
<td>40</td>
</tr>
<tr>
<td>8 Is upward communication usually welcomed in the form of ideas and suggestions?</td>
<td>26</td>
<td>14</td>
<td>40</td>
</tr>
<tr>
<td>9 Are orders, information and expectations communicated well through downward flow of communication?</td>
<td>26</td>
<td>14</td>
<td>40</td>
</tr>
</tbody>
</table>

The above table showing factors related to the internal communication system in the company indicates that most of the employees found the internal communication system in the company effective however some employees feel that upward communication is usually not welcomed in the form of ideas and suggestions and the use of downward communication in the form of orders, information and expectations lacks clarity.
Table 1.2-Showing factors related to supervisory communication

<table>
<thead>
<tr>
<th>Factors related to supervisory communication</th>
<th>YES</th>
<th>NO</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 My supervisor is open to ideas</td>
<td>35</td>
<td>5</td>
<td>40</td>
</tr>
<tr>
<td>2 My supervisor clearly communicates his expectations regarding my job performance</td>
<td>28</td>
<td>12</td>
<td>40</td>
</tr>
<tr>
<td>3 My supervisor provides positive and constructive feedback with the objective of improving my performance</td>
<td>26</td>
<td>14</td>
<td>40</td>
</tr>
<tr>
<td>4 My supervisor listens and pays attention to me</td>
<td>36</td>
<td>4</td>
<td>40</td>
</tr>
<tr>
<td>5 My Supervisor keeps me informed about important issues</td>
<td>28</td>
<td>12</td>
<td>40</td>
</tr>
<tr>
<td>6 My Supervisor works to improve communications in all directions</td>
<td>26</td>
<td>14</td>
<td>40</td>
</tr>
</tbody>
</table>

The above table showing factors related to supervisory communication in the company indicates that the supervisor is open to ideas and listens well to employees. However, some employees feel that the supervisor needs to work more on improving communication in all directions.

Graph 1.2 Showing factors related to supervisory communication

Table 1.3-Showing the extent of agreement of employees regarding relation between communication and performance

<table>
<thead>
<tr>
<th>The extent of agreement of employees regarding relation between communication and performance</th>
<th>Disagree completely</th>
<th>Strongly agree</th>
<th>Somewhat disagree</th>
<th>Neither agree or disagree</th>
<th>Strongly disagree</th>
<th>Agree completely</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Effective communication improves my performance as an employee</td>
<td>9.1%</td>
<td>72.7%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>18.2%</td>
<td>40</td>
</tr>
<tr>
<td>2 Creating powerful communication channels is vital</td>
<td>9.1%</td>
<td>63.6%</td>
<td>9.1%</td>
<td>0</td>
<td>0</td>
<td>18.2%</td>
<td>40</td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th></th>
<th>to my performance as an employee</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>I am more productive as an employee if I have been told exactly what is expected of me</td>
<td>9.1%</td>
<td>72.7%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>18.2%</td>
</tr>
<tr>
<td>4</td>
<td>Clear communication and constructive feedback are keys to good performance of employees</td>
<td>9.1%</td>
<td>63.6%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>27.3%</td>
</tr>
<tr>
<td>5</td>
<td>Effective internal communication at all levels of the organization leads to better performance</td>
<td>9.1%</td>
<td>63.6%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>27.3%</td>
</tr>
<tr>
<td>6</td>
<td>Effective communication provides me the knowledge and work environment I need to improve my performance</td>
<td>9.1%</td>
<td>54.5%</td>
<td>18.2%</td>
<td>0</td>
<td>0</td>
<td>18.2%</td>
</tr>
<tr>
<td>7</td>
<td>Good internal communication helps to deal with conflicts and resolving issues thereby resulting in better performance</td>
<td>9.1%</td>
<td>72.7%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>18.2%</td>
</tr>
</tbody>
</table>

The above table showing relation between communication and performance indicates that effective internal communication plays a vital role in improving the performance of employees. Good communication not only helps in resolving conflicts but also provides employees with the knowledge and work environment they need to improve their performance.

**Graph 1.3 showing the extent of agreement of employees regarding relation between communication and performance**

**CONCLUSION**

Based on the findings of the research the study reveals that effective internal communication plays a significant role in improving the performance of employees. Therefore organizations should articulate its policies focusing on making the internal communication system effective in order to improve employee performance. Communication is a means through which employees are made aware as to what is expected of them. This is done by creating powerful communication channels and providing
constructive feedback which makes work easier for better performance. Organizations should also work on making both upward and downward communication more effective by being open to ideas and suggestions and having clarity in communicating orders, information and expectations to employees. Moreover Supervisors need to communicate with employees regularly providing them with positive and constructive feedback.

**SUGGESTIONS**

- Organizations should work on effective implementation of internal communication system properly aligned with its policies and goals.
- Organizations should be open to ideas and suggestions by employees in order to make its upward communication system more effective.
- Employees should be given directives and required information on a timely basis through a well defined system of downward communication in order to help employees carry out their jobs without any confusions.
- Supervisors should encourage open lines of communication thereby enhancing the abilities of employees to perform better.
- Supervisors need to communicate with employees on a regular basis having direct communication on issues of importance.
- Organizations should work on eliminating the barriers to communication to bring transparency in communication.

**REFERENCES**


