Full Length Research Paper

Impact of internal organizational communications on employee job satisfaction- Case of some Pakistani Banks

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The study considers internal organizational communications as an important organizational factor that has an impact on employee job satisfaction. It also considers communication climate, formal communication, and informal communication as three basic dimensions of internal organizational communications. The data was collected, to measure the impact of above three dimensions of organizational communications on employee job satisfaction, from 143 employees of five banks of D. G. Khan (Pakistan). The data was analyzed through linear regression, a form of Jorion (1990) model. The results discovered that there is significant impact of all three dimensions of communications on job satisfaction.

Keywords: Organizational Communication, Job Satisfaction, communication climate.

INTRODUCTION

Communication is the key to bring people together at one place to make it a workplace. A workplace is formed when people work together for a specific purpose and that work is impossible without having communication among working people. Such type of communication is known as organizational communication, and refers to the communications and interactions among organizational members: managers and non-managerial employees. In this study we will consider only the internal communication also called internal relations. The organizational communication is crucial to get involved into better relationships within an organization, to transmit information, to have trust on and cooperation with each other, to understand and co-ordinate the work,

to improve communication climate and learning, and hence to increase overall workplace satisfaction and also an individual's job satisfaction. The organizational communication may be mostly effective or it can be mainly ineffective, and can definitely affect employee satisfaction.

Organizational communication is a dynamic process and involves complex communication techniques, networks and channels. It does not involve only upward and downward communication, but managers and employees communicate with each other in various ways at different levels. It may be the formal or informal, verbal or non-verbal, written or oral; and its levels include interpersonal (or face to face)-level communication between individuals, group-level communication among teams, groups and units, and organizational-level communications involves vision and mission, policies, new initiatives, and organizational Knowledge and performance. All the directions and flows of organizational communications are combined

into a variety of patterns called communication networks. Today, organizational communication is more complex due to communication media and high speed transmission.

Communication plays a vital role in designing rules, regulations and responsibilities, and presenting to the members of the organization. Kreps (1990) states that, "communication in an organization serves to establish managerial control, provide workers with job instruction, and enable managers gather information for planning." It shows that communication is involved in all types of managerial functions. Mangers and communication specialists first develop strategies to achieve goals, construct relevant massages and than transmit through different channels for conversations with employees and workers. Poor planning may be the result of poor communication and it always results in the failure of the accomplishment of the goals which becomes the reason for dissatisfaction at workplace. Similarly, if employees are not told about organizational strategies and their responsibilities, they cannot perform effectively. Employees need to understand and coordinate their work activities; but if information is poorly communicated to them or they lack to communicate themselves, they cannot understand the task which leads to the confusion and to the job not being done or not completed properly. Therefore, poor communication decreases their satisfaction with the work.

As people work together they develop some important formal and informal relationships with each other. All people are of different personalities and natures, their thinking, perception, and view points are also different. They cannot understand each other until and unless they effectively communicate. According to Jim Lukazewski (2006), "The greatest continuing area of weakness in management practice is the human dimension. In good times or bad, there seems to be little real understanding of the relationships between managers, among employees, and interactions between the two. When there are problems, everyone acknowledges that the cause often is a communication problem. So now what? Little understanding of relationships leads to the little satisfaction. People want open communication channels and a system of common understanding. Communication behavior such as facial expression, eye contact, vocal expression, and body movement is crucial to the superior-subordinate relationship (Teven, p. 156). Nonverbal messages play a central role in interpersonal interactions with respect to impression formation, deception, attraction, social influence, and emotional expression (Burgoon, Buller, & Woodall, 1996). Nonverbal immediacy from the supervisor helps to increase interpersonal involvement with their subordinates impacting job satisfaction. The manner in which supervisors communicate their subordinates may be more important than the verbal content (Teven, p. 156).

Communication has been shown to be related to interpersonal and informational justice perceptions (Kernan & Hanges, 2002). The quality of communication by an organization or manager can improve justice perceptions by improving employee perceptions of manager trustworthiness and also by reducing feelings of uncertainty (Kernan & Hanges, 2002). It is important that the information provided be accurate, timely, and helpful in order for the impact on justice perceptions to be positive (Schweiger & DeNisi, 1991).

Job satisfaction is concerned with various aspects, one of which is salary/income of employees, but a study has found that employees in small businesses are more satisfied than those working in large organizations even though large business employees receive higher incomes and benefits than small business employees. It is because of the levels of communications and trusts that are easier to achieve at small workplace settings as there are fewer people to inform and share information. Hence income is not a necessary factor in bringing about job satisfaction. People are more satisfied with the overall workplace satisfaction than the higher salaries.

Job satisfaction is brought through motivation which is one of the functions of communication. Methods of motivation may include job rotation, job enlargement, job enrichment, job re-engineering and encouraging employees' view points. These methods are the part of organizational communication, as today organizational communication is not just information moving from a sender to a receiver but also how the organization in which people work affects them. In a poll, Domeyer notes that "communicating with staff and on their behalf plays a vital role in building job satisfaction. Managers, who promote employees' viewpoints, support their staff and limit the impact of office politics show they value and respect their team members. In leading by example, they not only encourage staff to develop similar skills but also promote a more positive corporate culture," she said. The organizations that provide opportunities to the employees to show their aptitudes and utilize their talents are more likely to retain their workforce.

The recognition and praise of employee's performance is also very important for job satisfaction. Mark Twain said, "I can live for two months on a good compliment." But the recognition and praise is not enough, the manager should communicate it effectively. Effective communication of praise means the praise should be sincere, based on specifics, given in a timely fashion and in the presence of the public.

This study is important for organizations to understand employees' perceptions about organizational communications as well as for employees to enhance there personal communication skills. Especially, this study is very important for the female employees of any organization. The communication, either formal or informal, is more likely to impact on women's job satisfaction. It is because of some certain

communication characteristics of the men and women.

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Following are some general variations in the ways men and women communicate:

• Men focus on power / rank / status. Women focus on relationships.

• Men talk to give information or report. Women talk to collect information or gain rapport.

• Men talk about things (business, sports, food). Women talk about people / relationships.

• Men focus on facts, reason and logic. Women focus on feelings, senses and meaning.

• Men thrive on competing and achieving. Women thrive on harmony and relating.

• Men "know" by analyzing and figuring out. Women "know" by intuiting.

• Men are more assertive. Women are more cooperative.

• Men tend to be focused, specific, logical. Women are holistic and organic.

• Men are at ease with order, rules and structure. Women with fluidity.

• Men immediately want to get working on a project. Women tend to ask lots of questions before beginning a project.

• Men want to think. Women want to feel.

Motivation Of Study

The communication is the basic and the most important activity of an organization. The communication is becoming more complex in today's organizations due to more complex work activities, multi-cultural environment, and high speed transmission media. Current organizational work requires organizations to focus more on the communication processes in order to be effective and to increase workplace satisfaction. A lot of research has been conducted on the importance of today's organizational communication but the studies on its significant impact on job satisfaction are very few in numbers especially in Pakistan. The motivation of this study is the need to find out the communication factors that impact job satisfaction in terms of today's dynamic organizational structures in Pakistani organizations. In addition, as the number of female employees in organizations are increasing day by day. It requires determining whether there is any difference in the impact of organizational communication on job satisfaction of both male and female. This study, to some extent, will be useful for the today's organizations to establish Communication networks that take into consideration the diverse perspectives of employees.

Research Questions

In order to determine the relationship of organizational communications and job satisfaction, we have following research questions:

• Is there significant impact of communication climate on employee job satisfaction?

• Is there significant impact of formal communications on employee job satisfaction?

• Is there significant impact of informal communications on employee job satisfaction?

Considering the increased diversity in workplaces and the importance of today's complex communications, we have set an objective to determine the impact of organizational communications on job satisfaction. We will find out the impact of overall communication climate and communication networks, both formal and informal, on employee job satisfaction. Then we will determine the difference in the impact of communication networks on the job satisfaction of male and female employees.

Remaining part of the study is arranged in such a way that chapter 2 is literature review of studies related to our research. In chapter 3 we discussed methodology and then performed data analysis and results computation in chapter 4, after that we concluded our research with findings and conclusion in chapter 5.

Literature Review

Our study began with a view that communication is the base for the existence of organizations. Having this in mind, we find it important to discover relationship of organizational communications and employee job satisfaction. To support our study, we will review the relevant literature. Initially, we will include some literature related to the importance and the role of communications in organizations. Some literature will express the difference in perception of male and female about the communication. Then we will include the literature that will show the affect of internal communications on employee satisfaction. Finally, we will include some literature that focused on improving organizational communications. We have arranged literature in a way that the latest studies are at the start and earlier studies at the end.

Hassan Abu Bakar and Mohammad (2009) attempted to identify the differences of perceptions between male and female employees on their superior communication behavior. Results of a simple regression analysis revealed a significant positive relationship between superior-subordinate communication and working relationship for male respondents, while results from female respondents shows there is no significant

Relationship between superior-subordinate communication and working relationship. Madlock, Paul (2008) in their tudy examined the relationship between a manager's leadership styles (task or relational), conflict management (no confrontation, control, compromise, and collaboration), communication competence, and employee job satisfaction. The results indicated a direct association between leadership style (task and relational) and conflict management (compromise and collaboration) and both communication competence and job satisfaction separately. But, when communication competence was included in the model, the association between leadership style and conflict management and job satisfaction became not significant.

Hsing Yu Tseng (2006) studied the communication factors which promote employee job satisfaction in Taiwan High-Tech Industry. The results indicate that there is a positive relationship between communication satisfaction and job satisfaction with work, job satisfaction with pay, job satisfaction with promotion, job satisfaction with supervisor and job satisfaction in general.

RESEARCH METHODOLOGY

For this research, data was gathered by surveying five banks in Dera Ghazi Khan. A questionnaire was distributed for this purpose. This questionnaire included 15 questions to measure three dimensions of communication satisfaction: *communication climate, formal communication, and informal communication.* This questionnaire was derived from Downs & Hazen (1977) Communication Satisfaction Questionnaire.

Model

The model which we have developed to use in data analysis is a form of Jorion (1990) model; which is a linear regression model. This model describes the following relationships among the variables which we have used in our study:

$$R_i = \alpha_i + \beta_{i1}CC + \beta_{i2}FC + \beta_{i3}IC + \varepsilon_i$$

Where
  α_i = Constant Term,
  R_i = Job Satisfaction of employee i
  β_{i1} = Impact of Communication Climate on Job Satisfaction of employee i
  β_{i2} = Impact of Formal Communication on Job Satisfaction of employee i
  β_{i3} = Impact of Informal Communication on Job

Satisfaction of employee i

Variables

In this study, we have used three independent variables:
- Communication Climate
- Formal Communication
- Informal Communication

And we have seen their impact on employee job satisfaction which is our dependent variable.

Communication Climate

Communication climate is the atmosphere that results from group members' use of verbal and nonverbal communication and listening skills; can be defensive or supportive. It is an interactive collection of several communication concepts. Following are five of them which hold the major sources of influence over communication climate:

Credibility

Credibility is composed of the amount of knowledge or expertise a source has, the consistency with which this knowledge is applied and its perceived overall reliability. Credibility is a "top-down" concept. It begins with the CEO and permeates every management level of the business. If employees think that management lacks credibility, it hurts the firm's communication climate.

Trust

Trust is a close cousin of credibility. In fact, it can be said that perceived management credibility and trust are the two major components of overall communication climate. If employees don't trust the source of information they receive, then whether the information is accurate or not, their response to it will be the same: suspicious. A poor communication climate is almost always identified with lack of top management trust among employees.

Openness

While credibility and trust are perceived components of communication climate, openness or candor is a strictly behavioral statement. If people are reluctant to disclose their feelings or opinions for fear of retaliation or because they believe someone will betray their confidence, then the flow of important information is constrained. It's called the unhealthy "zipped lips"

syndrome.

Rumor

Even in companies with exemplary communication climates, the rumor mill is active. But in companies with healthy climates, rumors tend to be innocuous and mundane. In companies with poor communication climates, rumors tend to be vindictive and exaggerated or misrepresentations of the truth. More often than not, they tend to reinforce negative beliefs about management.

Rule assertiveness

Interestingly, companies that have and enforce a plethora of rules regarding employment guidelines tend to have poor communication climates. Rules tend to dehumanize the workplace. They de-emphasize creativity and individuality. They frustrate the work of high performers. They reinforce inflexibility and penalize flexibility. The key point here is rule moderation. There are rules and there are rules. Firms with strong communication climates have rules, but they don't obsess about enforcing them.

Formal Communication

Formal communication can be considered as communication efforts that are "dressed up" to fit customary rules and ceremony. Formal communications are mostly written, although they may now also include formal presentations that are on computer disk, video tape or DVDs, MP3 presentations and other similar electronic reproductions of written communications. Other forms of formal communications include newsletters, legal advisories, invitations, awards, and letters of congratulations. Non-written formal communication devices are in-person communications in the forms of departmental meetings, telephone calls, conferences and special interviews. Some publications that are devoted to a special purpose, such as a company's annual report, are formal communications.

Informal Communication

Informal communication arises out of all those channels that fall outside the formal channels and it is also known as grapevine. It is established around the societal affiliation of members of the organization. Informal communication does not follow authority lines as in the case of formal communication. It often works in group of people, i.e. when one person has some information of interest; he passes it on to his informal group and so on.

Job Satisfaction

"Job satisfaction is defined as "the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs" (Spector, 1997, p. 2). This definition suggests job satisfaction is a general or global affective reaction that individuals hold about their job. While researchers and practitioners most often measure global job satisfaction, there is also interest in measuring different "facets" or "dimensions" of satisfaction. Examination of these facet conditions is often useful for a more careful examination of employee satisfaction with critical job factors. Traditional job satisfaction facets include: co-workers, pay, job conditions, supervision, nature of the work and benefits." (Williams)

Hypothesis

H1: Communication climate has a positive impact on employee job satisfaction.

H2: Formal communication has a positive impact on employee job satisfaction.

H3: Informal communication has a positive impact on employee job satisfaction.

Sample

The sample was selected through probability sampling. It consists of 143 bank employees from which 97 are males and 46 are females. From these employees 71 are at the age of 20-25 years, 33 are at the age of 25-30 years, 27 are at the age of 30-40 years, and 12 are at the age of above 40 years. All of the employees are highly educated.

RESULTS AND DISCUSSION

The main purpose of this study is to find the impact of internal organizational communications on employee job satisfaction. For this purpose we asked three questions and developed three hypotheses to find the impact of three basic dimensions of internal organizational communications on job satisfaction. The collected data was analyzed by using SPSS software. The results of

Table 1. Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	624(a)	389	385	.495

Table 1. Coefficients (a)

Model		Un-standardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	.913	.146		6.256	.000
	SC	.557	.056	.624	10.033	.000

Table 2. Regression Model Summary (a)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.747(a)	. 557	. 555	. 364

Table 2. Regression Model Summary (b)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.530(a)	. 281	. 276	. 537

regression analysis were reported which clearly show the significant impact of each dimension on job satisfaction. Beta coefficients of each independent variable were calculated at the o% significance. The results for each research question are given bellow:

Research Question 1

Research question one examined the impact of communication climate on employee job satisfaction. Five questions were asked to measure satisfaction with communication climate. The regression analysis and coefficients show the significant impact of communication climate on employee job satisfaction ($\beta i1$= 0.624).

Research Question 2

Research question two was asked to measure the impact of formal communication on employee job satisfaction for which five questions were included in the questionnaire. The results show the highly significant impact of formal communication on employee job satisfaction. ($\beta i2$= 0.747).

Research Question 3

Research question three determined the impact of

informal communication on employee job satisfaction. To measure satisfaction with informal communication five questions were included in questionnaire. The results of analysis show significant impact of informal communication on employee job satisfaction. ($\beta i3$= 0.530).

CONCLUSION

Main focus of this study is to find the impact of internal organizational communications on employee job satisfaction. For this purpose we asked three questions and developed three hypotheses to find the impact of three basic dimensions of internal organizational communications on job satisfaction. The three basic dimensions of the organization are communication climate that has a positive impact on employee job satisfaction. The next thing important for organization is formal communication which has a positive impact on employee job satisfaction. The thrid and last thing that we have discussed in our study is Informal communication which has a positive impact on employee job satisfaction. So form the above discussion it can be concluded from this study that internal organizational communications have significant impact on employee job satisfaction. The impact of formal communication is highest among all three dimensions of communication. Although the organizations need to focus on all dimensions of communication, they should make their

Table3. Coefficients (a**)**

Model		Un-standardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.942	.181		5.205	.000
	CT	.613	.078	.530	7.851	.000

Table 3. Coefficients (b)

Model		Un-standardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	.795	. 107		7.402	.000
	SC	.576	. 041	.747	14.104	.000

formal communication networks effective in order to increase job satisfaction among employees.

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