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Effective Organizational Communication: a Key to Employee Motivation and Performance

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ABSTRACT:

Organisational Communication, in today's organizations has not only become far more complex and varied but has become an important factor for overall organizational functioning and success. The way the organization communicates with its employees is reflected in morale, motivation and performance of the employees. The objective of the present paper is to explore the interrelationship between communication and motivation and its overall impact on employee performance. The paper focuses on the fact that communication in the workplace can take many forms and has a lasting effect on employee motivation. If employees feel that communication from management is effective, it can lead to feelings of job satisfaction, commitment to the organisation and increased trust in the workplace.

This study was conducted through a comprehensive review and critical analysis of the research and literature focused upon the objectives of the paper. It also enumerates the results of a study of organizational communication and motivational practices followed at a large manufacturing company, Vanaz Engineers Ltd., based at Pune, to support the hypothesis propounded in the paper.

Keywords: Organizational Communication, Employee Motivation, Performance

I. INTRODUCTION:

Business all over the world today is very challenging. To stay profitable in the highly challenging and competitive global market economy, all factors of production, i.e. men, machine and materials, should be wisely managed. Among the factors of production, the human resource constitutes the biggest challenge because unlike other inputs, employee management demands skilful handling of thoughts, feelings and emotions to secure highest productivity. Organisational communication plays an important role in this challenge. Managers have traditionally spent the majority of their time communicating in one form or another (meetings, face to face discussions, memos, letters, e-mails, reports etc.). Today, however, it has become an indispensable part of their

work. An effective management of production processes requires greater collaboration and teamwork among workers in different functional groups. Hence, to manage the existing performance of the employees and to motivate them for better performance, efficient communication practises have become more important in all organisations.

The aim of the present study is to purport that positive perceptions around organisational communications serve to both boost motivation among current employees as well as foster employee advocacy, ultimately resulting in a strengthened employee brand. There exists a correlation between organisational communication and employee motivation. The study indicates that employees are two times as likely to go to the extra mile for the organisation and almost four times as likely to recommend their company if they are satisfied with the ways in which their company communicates on different occasions. If the employees feel that management is communicating in an efficient manner, it motivates them to perform better and develops a team spirit which is very essential for the smooth functioning of the organisation. A motivated employee is a valuable asset which delivers immense value to the organisation in maintaining and strengthening its business and revenue growth.

II. LITERATURE REVIEW

A review of the literature with respect to organisational communication reveals a central, shared emphasis on the issues of control and coordination through proper communication. Organisational communication research has evolved considerably from the early conceptions of communication and its role in the organisation. Recognition for the importance of communication to the management process can be attributed largely to the work of Chester Barnard (1938) who maintained that communication was the very "heart" of the management process. The human relationships movement of the 1940's contributed significantly to the notion that communication in organisations should be a two-way process. It emphasized the concern for employee attitudes and satisfaction, stimulated research on employee involvement in decision making, the two-step flow of communication, and upward and downward communication flow.

In 1950's, research on the effects of feedback on employee performance and climate research was initiated. The problem of upward communication distortion was the focus of attention and research methodologies like ECCO (refers to Episodic Communication Channels & Organizations-Davis, 1953) were developed. The term "communication audit" was first used by Odiorne(1954) as a description of the process used to assess the accuracy of management's perceptions of subordinates' communication. Communication audit methodologies advanced a general systems approach to the study of organizational communication.

In modern days, we understand 'communication' as one of the most dominant and important activities in organizations (Harris & Nelson, 2008). Fundamentally, relationships grow out of communication, and the functioning and survival of organizations is based on effective relationships among individuals and groups. In addition, organizational capabilities are developed and enacted through "intensely social and communicative processes" (Jones et al., 2004). Communication helps individuals and groups coordinate activities to achieve goals, and it's vital in socialization, decision-making, problem-solving and change-management processes.

Internal communication also provides employees with important information about their jobs, organization, environment and each other. Communication can help motivate, build trust, create shared identity and spur engagement; it provides a way for individuals to express emotions, share hopes and ambitions and celebrate and remember accomplishments. Communication is the basis for individuals and groups to make sense of their organization, what it is and what it means. D'Aprix (1996) has given the hierarchy of employees' communication needs (refer Exhibit no. 1) which reflects the above mentioned points. We can quote *Lukazewski* who says "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?" (Jim Lukazewski, 2006)

If we consider the role of motivational practices followed in the organization, we can easily find a solution to the 'communication problem' mentioned above. Motivating is the work which managers perform to inspire, encourage and impel people to take action (Louis Allen 1986). To motivate the employees, the employee must be reached and to reach him there must be a completed understanding of the

complexity of his make-up (*Louis Allen 1986*). Motivation efforts must be directed towards improving organization operations. To be effective, however they must also be designed to show benefits to the employee. In fact, motivation can best be accomplished when workers are able to merge their personal ambitions with those of the organization.

Traditional management methods (Theory X) might not be the only way to get people motivated. Instead, you could take a different approach (Theory Y) and achieve the same if not more (*MC Gregor, 1960*). Theory Y, based on the integration of individual and organization goals, states that a person's commitment to an objective is a function of the rewards for its achievement. Theory Y seems to be the right approach which requires much management efforts but the effects of it would be long lasting for modern organizations. Campbell and Pritchard (1976) define motivation as a set of independent and dependant relationships that explains the direction, amplitude and persistence of an individual's behaviour holding constant the effects of aptitude, skills, understanding of a task and the constraints operating in the work environment.

Atkinson (1964) defines motivation as the contemporary immediate influence on the direction, vigour and persistence of action. The relationship between the employer and the employee should be of mutual understanding with a view to facilitate the employee to identify himself with his work and with the business he is working for. Lack of motivation in return, affects productivity. A number of symptoms may point to low morale: declining productivity, high employee turnover, increasing number of grievances, higher incidence of absenteeism and tardiness, increasing number of defective products, higher number of accidents or a higher level of waste materials and scrap (*William Day 1978*). A motivated employee is a loyal employee and to be loyal implies that the employee supports the actions and the objectives of the firm. The appearance of the job as a whole has, in fact a bearing on the willingness and quality of an employee's performance (*Martin Bruce 1962*).

Internal communication plays a very vital role in implementation of all these ideal motivational practises in the organisation. To quote a recent article in the 'Sunday Times', ' If people understand the bigger organisational picture they will be more willing to stay for the ride and more motivated to do the job you need them to do.' (*Sunday Times, April 28, 2002*). It is this making people understand the bigger picture, is an important and complex job that demands attention from practising managers. Indeed, the 'manager who suffers from poor communication skills is likely to feel frustrated most of the time. And he is even

more likely to be surrounded by a number of unhappy and unproductive subordinates' (Andrews and Baird 1989).

III. A CASE STUDY OF ORGANIZATIONAL COMMUNICATION IN VANAZ ENGINEERS LTD.:

This study presents findings on the effects that organisational communication has on employee motivation and performance. The organisation chosen for this research study is, Vanaz Engineers Ltd., a large manufacturing company well known in India for its diversified and quality products. The company specializes in the production of alternate fuels, auto components, valves, pressure/flow control devices, Vanfog, Auto LPG dispensing station and castings and forgings. Vanaz is proud to manufacture the first indigenous CNG kit for auto rickshaws duly approved by VRDE and ARAI. It is also the pioneer manufacturer of domestic pressure regulators in India. The company is ISO/TS 16949:2009 and DIN EN ISO 9001:2008 certified and has set-ups at two places. The unit studied in this case is a well established set up in Pune, Maharashtra with approx. 10,000 square metres' establishment, consisting of various manufacturing departments, facilities and ancillary departments like R&D, Quality Assurance, Laboratory, Maintenance etc. The company manages its diversified portfolio with a very close-knit organisational structure which follows effective organizational communication.

A. Research Methodology:

The methodology used was interviews of the employees of Vanaz Engineers Ltd. and communication efforts recording sheets given to them. The interviews and the communication efforts sheets were completed by 10 percent of the company population, randomly selected according to each department's population base.

B. Results and Discussion:

From the analysis of the information received, it was found that Vanaz implements various effective organisational communication practises which contribute a lot to motivate its employees and increase their performance and loyalty towards the organisation. The company has a lowest staff turnover ratio. The organisation values its employees and understands the importance of employee motivation in maintaining the productivity and also the role of communication in employee motivation as sometimes even the most basic communication errors can lead to employee dissatisfaction. This is clearly reflected in their policies and practices. After the study of organisation communication of Vanaz Engineers, it was found that facilitating effective

communication has helped to improve employee motivation and performance in the company, in several ways as follows:

Information Distribution

The company distributes timely and relevant information to employees through circulars and notices. All information regarding the company which employees consider vital, such as changes in the company's policies or planned changes in the workforce, future plans, company's vision etc. are conveyed with context and rationale through proper channels and in language they understand. Even profits of the company are declared and 5 percent of the profit share is distributed among the employees apart from their salaries. Immediate action is taken in case of any problem or ambiguity reported in administrative communication. This not only makes the employees feel respected by the company, it also helps combat rumours that can lead to various problems.

The department heads and supervisors find their task of communicating with the workers and motivating them to perform as per the management expectation, to be very challenging. They also have to manage the upward communication with top management, updating and convincing them about the shop floor problems and requirements. To avoid any chance of miscommunication and problems arising thereof, the company follows its own communication control plan in form of regular review meetings for open communication across all ladders of communication. Minutes of each meeting are circulated across all departments and accordingly information and action plans are known by all employees.

1) Relationships

A workplace operates on the effective relationships built between employees, managers, departments and all levels of the company. The results of the study indicate that in 'Vanaz Engineers', clear and honest communication helps to encourage and strengthen the relationships, which can assist employees in reaching maximum productivity. The managers in the company maintain a productive relationship with staff members by holding regular departmental meetings, assisting and guiding employees in their work and progress and recommending them for career development programs.

Any type of noteworthy and good work of is appreciated in weekly co-ordination meeting held by Managing Director of the company and is recorded in the minutes of the meeting. These minutes are circulated to every department and the information of the work and the name of the person reaches

to everyone in the organisation, motivating them for similar personal contribution.

2) *Decision-Making and Employee Efforts*

The company's decision-making process includes active communication throughout the organization. Employees are allowed in as many ways as possible to offer their ideas and opinions, and be part of the decision-making process. There is a suggestion scheme through which every body can give his suggestion or idea. The department heads and other officers can give their ideas for improvement through continuous improvement proposals as well as weekly coordination meetings. If management finds it suitable, the ideas are implemented. This open communication allows employees to be a part of company decision-making and participate in the company's success.

In case of any extraordinary suggestion for improvement or effort done by any employee in matters of concern like safety, quality, cost cutting etc., the effort is communicated to top-management by the operations in-charge and the employee is recommended for written appreciation and monetary rewards. This motivates the employees and increases their sense of belongingness towards the organisation.

3) *Improvement*

Skill set training programs with managers is the way in which most employees receive their career development assistance. If managers are not monitoring employee performance and developing training programs to improve productivity, then the skill sets of the employees begin to suffer. Communication between the employee and manager is critical in developing training programs that improve the employee's job skills and motivate them to succeed. The management of 'Vanaz' understands this fact and several innovative measures are taken in this regard.

A 'Training Needs Register' is maintained in every department to identify and note each and every employee's training needs. The Operations in-charge monitors employee performance and identifies specific training needs and forwards them to management. Employees can also convey their own training needs. According to the requirements of the employees, frequently in-house training programs are conducted by experts and external agencies for education and career development. If required, employees are sent to company's customer sites for training and also to external training programmes. Thus the company is maintaining strong workplace relationships which help employees achieve high levels of productivity and supports staff motivation.

4) *Communication Culture and Teamwork*

The company has developed a good communication culture which is beneficial for developing the team spirit and efficient teamwork with clarity of roles. The ongoing two-way communication is the foundation for employee motivation and organizational success in this company. The 'culture of communication' is helping the organisation in a crucial way by enhancing employee understanding, building trust, stimulating engagement and better performance in the changing scenario.

IV. CONCLUSION:

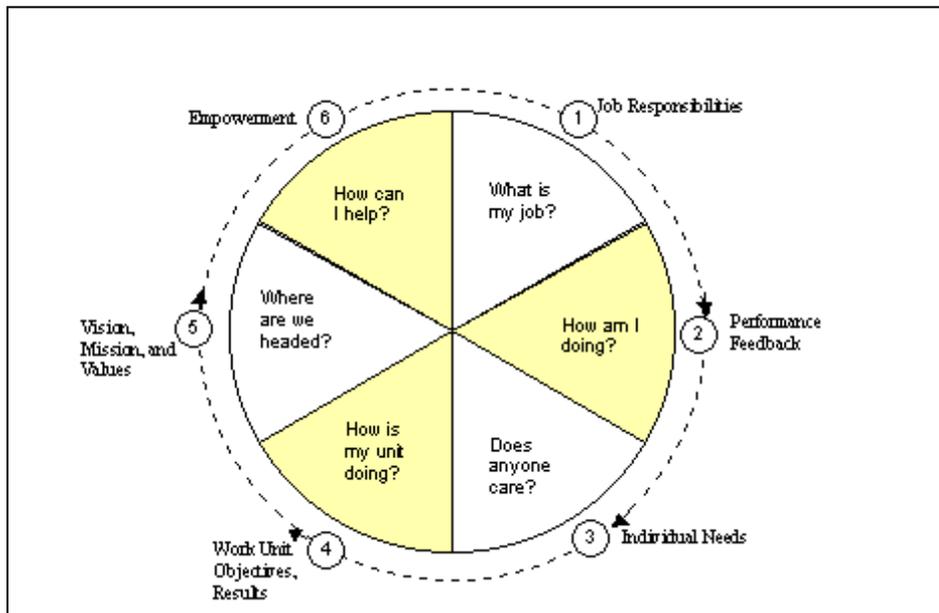
It is a self-evident fact that organisational communication plays a vital role in employee motivation and performance as real changes are taking place in modern organisations which confront the new reality of tighter staffing, increased workloads, longer hours and a greater emphasis on performance, risk-taking and flexibility. Employee communications have a crucial role to play in the management effort to reorient employees perplexed by changes, or inform and motivate those who adapt more readily. Within this general need to communicate there exists the specialised requirement for effective communication as an outcome of managing an organisation's employee relations.

Today's organisations are run by multi and cross-functional teams which show little tolerance for unquestioned authority. To deal with this situation, the art of persuasion and the effort to find the correct emotional match with your audience is necessary. This match means that it is not enough for communication to be a one-way ticket (Torrington and Hall 1991). There has to be downward and upward communication. Effective downward communication allows decisions taken by the management of the organisation to be converted into action by employees, also boosts teamwork, trust, better relations, productivity and fewer chances of rumours and miscommunication. Furthermore, it allows for a consistency of action, and it may stimulate a greater commitment on the part of employees. Upward communication helps managers to understand both business and personal issues that affect employees. In addition, creative suggestions from employees help management in decision making and improvement of the organisation.

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EXHIBIT NO. 1



Source: D’Aprix (1996)