

## PalArch's Journal of Archaeology of Egypt / Egyptology

### THE IMPACT OF INTERNAL COMMUNICATION ON ACHIEVING ORGANIZATIONAL OBJECTIVES

*Mihlayifani Nicholas Nyoni<sup>1</sup>, Siew Poh Phung<sup>2</sup>, Valliappan Raju<sup>3</sup>*

<sup>1 2 3</sup> Post Graduate Centre, Limkokwing University, Malaysia

**Mihlayifani Nicholas Nyoni, Siew Poh Phung, Valliappan Raju. THE IMPACT OF INTERNAL COMMUNICATION ON ACHIEVING ORGANIZATIONAL OBJECTIVES--PalArch's Journal Of Archaeology Of Egypt/Egyptology 17(7), 6355-6362. ISSN 1567-214x**

**Keywords: internal Branding, Employee performance, Productivity**

#### **ABSTRACT:**

Internal communications is the lifeline of any existing organization. Internal communication spans from the two-way communication channels, to internal branding. Internal branding has been seen to propel the marketing drive to alarming levels. A focus on internal communication with such variables as productivity and internal branding are the subject of the study. The study considered small and medium enterprises in Selangor area in Malaysia. The quantitative approach was employed into the study and a sample of one hundred and seventy participants were obtained successfully.

#### **INTRODUCTION**

The world is undergoing an evolution in the productive sector. Not only are the finer details of production being re-engineered but the human resources aspect is constantly undergoing review. Internal communication within the organization has been seen to confer efficiency in the production line and an achievement of organizational objectives. Organizations require sound internal communication in order to perform at optimum efficiency. The movement of information from one person to the next inside the organization was then called internal communication, (Birim, 2016). Currently, several tools are available for communication for example physical meetings in the boardroom, teleconferences and the simple emailing system, (Clark p., 2019)

Internal communication plays a very crucial role in the private banks, (ConradLashley, 1996) as it binds together the communication system in its entirety. Effective communication helps different departments play their part in achieving the organizational objectives. Apart from organizational efficiency, internal communication caters for career development as well as advancement, (Dubois A, 2002). A sound internal communication system reflects the effectiveness of the human resources department and their ability

to tackle ad hoc situations. It also boosts the confidence of stakeholders, (Dubois A, 2002). Therefore, a successful internal communication system supports the achievement of organizational objectives.

A comparison of productivity in the eighties and compared to now as a totally emancipated level, (WinniJohansen, 2012). Productivity is now controlled through online communication, (the use of systems and emails) in comparison to the primitive methods, internal communication has since been redefined and this is much thanks to the advancement in technology, (vally, 2019).

## **REVIEW OF LITERATURE**

Internal Communication as explained, (vally, 2019) is an extension to the basic communication systems, whereby the supervisor informs the employees on the things to be done. The activity or the means through which information is moved from one party to the next is called communication. Oxford dubs this as internal communication when such an activity is done within the organization. For the purpose of this study, internal communication will be defined as the transmission of information from top level management to lower level management or the ordinary employee as affirmed by, (Rho, 2009).

Managers tend to evaluate the tasks done by different employees. This is also known as employee performance. Such an exercise is done on one or all of the employees for the simple maintenance of quality. It is also used as a basis of promoting and or wage increments. Employee performance had been seen to have a direct impact on the work produced (Rho, 2009) meaning that when accurate information is produced there is an accurate quantity of work delivered at the expected time. This would therefore mean that effective communication has a direct impact on the performance of the employees.

Internal branding is the embedding of organizational concerns into the minds and activities of the employees. This will in turn make them think and speak the organisation. This will culminate in the ripple effect of conversations about the organisation on a regular basis and in more people's mouths, Vally, (2019) The employees therefore become the ambassadors of the organisation. Their speech and demeanor would communicate the organisation. The symbolizing of a product or service is defined by Oxford as internal branding. The operational definition for internal branding would therefore be the symbolization of the product or services that an organisation has. This would be marked as the selling point in all matters.

The social exchange theory supports the internal communication concept. The theory states that the social behaviors are engaged in order to maximize on profits and minimize on costs. Internal communication is therefore maximizing the profit by being a sustainable means of communication. Once information is disseminated the result from the work produced by the employees would bring the greatest profit. The minimizing of wrong

information will bring about the correct number of result. Which are maximum profits in the organisation.

Max Webber and Henry Fayol developed the classical theory of bureaucracy. The theory affirms the need for structures, that is in reporting, in working and in communication. Experiments done on the beaurocracy theory have shown that there is need for proper structures and a hierarchy of reporting. Suh structures had the benefit of bringing together the organizations in a sound harmonious environment. Productivity is therefore increased.

A system comprising of sound internal communication will need a consistent channel of communication. The channel will be open to criticism in order to develop (Birim, 2016). Some organizations value criticism to such a point of having suggestion boxes for people to share their sentiments on the processes. Organisations in such cases consistently emphasise on continuous improvement as well as research and development. (Chris Brook, 2018)

Effective communication image, (Halinen A, 2005) is an intrinsic analysis of the various communication techniques that may be used by management in the dissemination of information. Such techniques hover around the interactions of management with the ordinary employee. An analysis of such behavior brought about the needs for stronger relationships between managers and employees. This means that a sound relationship between the two parties will culminate in unison in vision and productivity, (Antoniades, 2016) an open communication or conversation with employees brings about the innate desire to offer more loyalty to the employer, more productivity as well.

## **RESEARCH METHODOLOGY**

An experimental research design was employed for the study. A practical observation of internal communication and how it impacts productivity and employee performance was analyzed. A quantitative measure would depict a free channel of communication to help ease the flow of information. The questionnaire was developed in order to reach out to the various people who are affected by internal communication. People from different places in the organisation have the freedom to respond to the questions at their convenience.

Positivism is in line with the use of the questionnaire. This is because the use thereof is engineered to conduct a research to develop knowledge. The toll therefore fits perfectly into the philosophy, (Stefano Lombardi, 2018). The experimental design supports the philosophy as well. This was noticed during the eve of the boom of most online businesses. The results were beneficial.

For the purpose of this research the use of probability sampling will be employed. In this scenario the participants stand an equal chance of being selected to participate in responding to the survey. This means that randomly, people are chosen to respond to the questionnaire. Furthermore, the use of simple random sampling will be used in the research. This technique will allow the choice of the participants to be random as well. This is because in a simple random sample the participating individuals are selected randomly by a number generator or a simple method of involving people with disregard to a particular pattern of selection.

According to CEO of Matrade, Dauk Wan Latiff Wan Musa, mentioned on the Star Online on the December 31, 2019 article that Malaysian SMEs employ close to 3 million people in Selangor. This has been diagnosed as our total population as at 31 December 2019. According to Krejcie and Morgan, (1970) a total population of three million, the sample size should be 384.

This serves to state that the sample size chosen by researchers in Malaysia amounted to 384 for the purpose of the careful study. The small and medium enterprises were selected as prescribed by (Cai, 2018) in a manner as to reach this number in the shortest and most available manner.

## RESEARCH ANALYSIS

### Correlations

#### Correlations

		Internal Branding	Employee Performance	Productivity	Internal Communication
Internal Branding	Pearson Correlation	1	-.692	-.996	.269
	Sig. (2-tailed)		.513	.056	.661
	N	8	3	3	5
Employee Performance	Pearson Correlation	-.692	1	.971**	.971**
	Sig. (2-tailed)	.513		.001	.000
	N	3	10	6	9
Productivity	Pearson Correlation	-.996	.971**	1	.900**
	Sig. (2-tailed)	.056	.001		.002
	N	3	6	10	8
Internal Communication	Pearson Correlation	.269	.971**	.900**	1
	Sig. (2-tailed)	.661	.000	.002	
	N	5	9	8	17

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Correlation coefficients determine the relationships between the variables. The above table shows that the relationship between internal branding and internal communication is 0.269. This shows a positive relation in a linear scale of -1 to +1 this means that the internal communication has a significant relationship to internal branding. The level of significance was 0.661 which means there is no statistical significance on the relationship between the two variables. This means it may have occurred randomly. The coefficient of employee performance came down to 0.971 and this signified a strong relationship with internal communication. The significance level was at 0.00 meaning that it was also strongly significant.

Productivity and internal communication showed a relationship of 0.900 hence the great strength between the two variables.

4.2 **NORMALITY ANALYSIS INTERNAL BRANDING**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.269 <sup>a</sup>	.073	-.237	.394267	.073	.235	1	3	.661	2.629

a. Predictors: (Constant), Internal Communication

b. Dependent Variable: Internal Branding

r squared is how much the IV is explained in the DV, 0.073. the standard criteria are 0.5. This means that the IV is explained by 7% by the DV

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.037	1	.037	.235	.661 <sup>b</sup>
	Residual	.466	3	.155		
	Total	.503	4			

a. Dependent Variable: Internal Branding

b. Predictors: (Constant), Internal Communication

0.661 means

A closer look at the ANOVA tests done for internal branding and internal communication, brings about interesting phenomena. The ANOVA test showed a level of significance of 0.661. this is far much greater than the 0.5. this means therefore that the R<sup>2</sup> is significantly less than zero. This also means that accounting for a significant amount of variance is somewhat impossible. The overall regression model was not significant. (with R<sup>2</sup>= 0.073. A look at the coefficients would show that 0.661 is greater than 0.5. this means that internal branding is not a significant indicator of internal communication. This means the amount of unique variance that internal branding accounts for is not statistically significant.

The value of significance is equal to 0.00 and this is naturally less than 0.01. it therefore means that the hypothesis H1 was supported and is as good as valid. It therefore means that the informative nature internal communication greatly influences the behavior of employees in relation to their productivity. It is not as strange to have the working class being influenced by the level of communication because internal communication is bringing about the kind of work environment that the people envision it to be. Hence there is an increased need to learn more of diverse methods of communication. Naturally it

therefore meant there is need to look closely at the current communication channels, and a look at the ways to improve them.

#### ANOVA TESTS SUMMARY

	Statistical test	Significant(p)	Accept/Reject
Productivity	Anova test	0.020	Accepted
Internal Branding	Anova test	0.661	Rejected
Employee performance	Anova test	0.000	Accepted

#### DISCUSSION

The relationships between the variables brought about interesting turn of events. Internal branding which has been the pinnacle of the study was found not to be a factor that could be reckoned with when it came to internal communication. Various options were collected from the data from employees affected by internal communication. Some respondents cited instances of half information getting down to the lower level employees. Management mentioned as well that not all the information discussed by the top level management was disseminate to the lower level employees. This was due to such reasons as sensitivity of information as well the use of the information.

The theory of bearocracy was seen to be effective in the organizing of information going up and down the ladder. The set structures in various organizations determined the responsible parties which were related to each concern raised by the employees. A few instances had the employees being rewarded for voicing out developmental concerns. Thus to say when one pointed out a leakage in the conducting of business a reward or a bonus was issued out (ConradLashley, 1996). However, some employees did not go for the idea. The concerns raised were that there is a lack of transparency when it comes to the rewarding system. Not all the information presented was considered. Hence the trouble with internal communication. It is therefore the task of the supervisors to protect the integrity of the communication system.

A closer look at the performance of employees was seen to be higher at the beginning of the month and at the end of the month. This has been seen to be the motivation behind the work. Once the employees are paid, they focus more on the work to be done. The communication of the next pay day sends ripple effect to the employees.

Internal branding was idolized by a few individuals in organisations. Not all employees participated in the branding exercise. The marketing teams would be then the focus of internal branding as compared to the general worker in the production plant. Hence the impact of internal branding was seen to be insignificant when it came to internal communication. Internal branding is known mostly for large corporations which have brand names in the market. These have the luxury to brand internally, (SaraAguilar-Savén, 2004)

## CONCLUSION

Internal branding is still an area worth exploring in the industry of Small and medium enterprises. This is because it was seen to be insignificant when it came to the relationship with internal communication. Not everyone knows much about it. Employee performance on the other hand was seen to be greatly related to internal communication. This was in line with the theory of social exchange, where profits are maximized by the social behaviors. Also on productivity, the significant relationship meant that internal communication plays a major role in the improvement of operations.

## REFERENCES

- Antoniades, A. C. (2016). Why Target companies choose not to buy "go-shop" options pg 36-64. *Journal of Economics and Business* .
- Birim, B. (2016). Evaluation of Corporate Social Responsibility and Social Media as Key Source of Strategic Communication. *Procedia Social and Behavioral Sciences*.
- Cai, M. W. (2018). Multiplex network analysis of employee performance and employee social relationships. Elsevier.
- Chris Brook, Z. C. (2018). Institutional cross-ownership and corporate strategy: The case of mergers and acquisitions. *Journal of Corporate Finance*.
- Clark p., C. C. (2019). Branding Higher Education: An Exploration of the Role of internal Branding on middle management in a university rebrand. *Journal of Business Research*.
- ConradLashley. (1996). Research issues for employee empowerment in hospitality organisations. *International Journal of Hospitality Management*.
- Dubois A, G. L. (2002). Systematic Combining: An abductive approach to case research. *Journal of Business Research*.
- Gupta, S. (2018). Investigating relationship types for creating brand value for resellers. *Journal of Industrial Marketing Management*.
- Halinen A, T. (2005). Using case methods in the study of contemporary business networks. *Journal of Business Research*.
- How corporate social responsibility activities influence employer reputation: The role of social media capability. (2019). Department of Management, School of Business and Economics, University of Granada, Granada, Spain.
- Jose Benitez., L. R. (2019). How corporate social responsibility activities influence employer reputation: The role of social media capability. Department of Management, School of Business and Economics, University of Granada, Granada, Spain.
- K, H. (2012). Comments on Managing resource interaction as a means to cope with technological change. *Journal of Business Research*.
- Limaab, E. d. (2013). Organizational competence building and development: Contributions to operations management. *International Journal of Production Economics*.
- Michael J.H., J. k. (2008). Employee alignment with strategic change: a study of strategy-supportive behaviour among blue-collar employees. *Journal of Managerial Issues*, 425-443.

- Rho, E. (2009). The Impact of Organizational Communication on Public and Nonprofit Managers' Perception of Red Tape. National Public Management Research conference .
- SaraAguilar-Savén, R. (2004). Business process modelling: Review and framework. International Journal of Production Economics.
- Shiou-FenTzeng, W.-H. C.-Y. (2008). Evaluating the business value of RFID: Evidence from five case studies. International Journal of Production Economics.
- Stefano Lombardi, O. N. (2018). Targeted wage subsidies and firm performance. Journal of Labour Economics.
- vally. (2019). Efficiency. International Journal of marketing, 77-85.
- WinniJohansen. (2012). Entering new territory: A study of internal crisis management and crisis communication in organizations.