Abstract: The purpose of this study is to explore the role of internal organizational communication and the influence it has on organizations’ performance and productivity. A narrative literature review method has been used in this exploratory study. The study revealed that effective organizational communication present a direct and positive relationship with job satisfaction and positive commitment of employees at the organizational level as it generates community spirit within organization’s employees. Also, that effective internal communication plays a major role in increasing job satisfaction and improve and increases employee engagement; which leads to lower turnover and it has been proven that it an essential element that contributes implicitly the overall performance and consequently on organization productivity.

Keywords: Effective Communication, Internal Organizational Communication, Performance, Productivity.

I. INTRODUCTION

Organizations cannot survive without communication, as it serves one of the most important aspect in any organization; exchanging information. The information exchanged can be in a variety of forms and exchanged using different media sources, and most importantly influenced by human behavior involved in the process.

It is important to investigate the impact of communication on organizations, and then applying gained knowledge toward improving an organization’s effectiveness and performances.

Organizational communication has many definitions. Richmond and McCroskey (2009) defined it as “An organized collection of individuals working interdependently within a relatively structured, organized, open system to achieve common goals”. On the other hand, Kreps, G. L. (1986)defined it as “social collectives in which people develop ritualized patterns of interaction in an attemptto coordinate their activities and efforts in the ongoing accomplishment of personal and group goals.”

To achieve better outcomes, we need better communication. Thus, communication is a vital element to any organization, small or big, local or international, actual or virtual. As it’s involves exchanging information; information necessary to coordinate activities among various members of the organization. Some would argue that, communication creates the form and shape of organizations.(Smith & Turner, 1995)

Organizational communication is divided into three main dimensions; communication with coworkers, communication with managers and organizational communication policy. (Yildrim, 2014) And serves four major functions; control, motivation, emotional expression, and providing information. (Scott & Mitchell, 1976)

The process of internal organizational communication is whereby an organizational stakeholder (Managers) attempts to stimulate meaning in the mind of other organizational stakeholders (Employees) through intentional use of verbal, nonverbal, and/or mediated messages. (Anonymous, 2012)

Internal communication is not only the process of successfully communicating thoughts, information, and ideas to employees. It has evolved to become one of the most important aspects that allow organization to motivate their employees to effectively achieve organization's goals and move it forward. (Smith & Mounter, 2005). "The organizational efficiency and effectiveness greatly depend on the managers’ ability to send messages inside and outside the organization with maximum efficiency”(Zagan-Zelter, 2007). These messages are sent throughout various channels and follow different directions.

To improve organization’s effectiveness and performances, internal communications policies should be formulated. Osman Yildrim (2014) argued that to achieve effective communication, proper channels between managers and employees has to build up, which eventually would contribute implicitly to the overall performance of organization. Currently, internal communication is commonly recognized as “the key to organizational excellence and effectiveness” (Grunig, 1992).

To keep employees focused, productive and committed, internal organizational communication has to be clear, concise, and consistent. This will educate the employees and enable them to value their organizations vision, programs and goals. (Essays, 2013)
Effective and clear channels of communication are substantial, as it motivates employees which lead to increment in their performance level. Also, it creates the infrastructure that allows the employees to not only achieve, but support organization's business objectives and provide ideas and feedback that force the organization forward. (Essays, 2013)

Effective communication inside the organization contributes to the creation of a motivational organizational climate, and the overcoming barriers which appear (language, perceptual, contextual barriers) by taking measures which will lead to the improvement of communication quality (an open managerial style, clear communication rules, appointing a communication responsible and elaborating a communication strategy, including training programs for developing the communication skills). (Zagan-Zelter, 2007)

Therefore, this research is an attempt to explore the role of internal organizational communication on organizational performance, effectiveness, and overall productivity.

Need of the Study

The study provides an overview of how an effective internal communication practices in organizations can influence and impact the entire organization productivity, employees’ performance. Specifies the role of the internal communication in organization, and the relationship it has on organizational behavior.

The study can later be used as a building block for more detailed research about internal organizational communication, and develop hypotheses for in-depth research.

Research Objectives

1. To examine the role of internal communication in organizations.
2. To investigate the ways in which internal organizational communication affects organizations’ performance.
3. To explore the relationship between internal communication and employee productivity.

II. LITERATURE REVIEW

To study the role of internal organizational communication, the need to understand the subject of organizational communication, Communication process and communication channels arise.

Organizational Communication

There are vast literatures about organizational communication. Researchers have developed a diversity of measures for organizational communication. Kreps (1990) has defined organizational communication as the method employees undertake to gather the right information about their organization and the changes arising within it. Valuable communication informs and instructs all employees at various levels and inspires them to support the organization strategies (Barrett, 2002).

In general, organizational communication has two main objectives. The first objective is to assign the tasks to the workforce and inform them about the organization policies and procedures (De Ridder, 2003; Francis, 1989). The second goal is to create a community within the organization (Francis, 1989; Postmes et al., 2001; De Ridder, 2003).

Per Zagan-Zelter (2007), organizational communication has two basic categories verbal communication, and non-verbal communication (nearly 70% of communications are non-verbal).

Organizational communication is a complex, crucial process through which employees organize the work process necessary to operating any organization. Organizational communication is the catalyst to organizational excellence and effectiveness. Thus, employees are currently expected to want more information about the company for whom they work, which certainly create the need for continuous communication process (Dolphin, 2005). Also, according to Ezeji (2014) “Organization communication is a vital and integral part of the health and well-being of any organization.”

Organizational communication is widely viewed as a technical-economic and social process. A process that provides the necessary information and knowledge has to be shared among departments of organization and its environment. (Borca & Baesua, 2014)

Organization’s members rely on oral, written, and nonverbal communication to communicate internally, and can be described as shown in table:

<table>
<thead>
<tr>
<th>Communication Method</th>
<th>Description</th>
<th>Channel Used</th>
<th>Advantage</th>
<th>Disadvantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oral Communication</td>
<td>The spoken word used in formal discussion and informal gossips and hearsays.</td>
<td>Phone, Video, Face-to-Face</td>
<td>Speed of transmitting the information and feedback.</td>
<td>The possibility of distorting the original message.</td>
</tr>
<tr>
<td>Written Communication</td>
<td>Written form of communication</td>
<td>Memos, Letters, fax</td>
<td>Tangible whereby it is much easier to verify the data.</td>
<td>More time consuming and no direct feedback.</td>
</tr>
</tbody>
</table>
Some of the elements of non-verbal communication are: facial expression, gesturing, tone of the voice, look and appearance. These displays support other forms of communication. The recipient may misunderstand the message and consequently misinterpret it.

**Based on:** (Turkalj & Fosić, 2009), (Robbins & Judge, 2013)

**Internal Organizational Communication**

Internal communications identify, create and maintain mutually beneficial connection between the organization and its staff whom its success and failure depends on. (Cutlip, 1985) Another definition by Bevan and Bailey (1991), internal communication is a process, in which an organization exchanges its information, builds the basis of commitments and handles the changes. And its main focus is communication that leads to competitiveness of the organization, and increasing motivation and performance of staff.

Tourish & Hargie (2004)argues that internal communication has a great significant on both managers and employees. Thus, the communication process has to be implemented in a way that is visible among employees and to be enforcing regularly, especially when the organization is very hierarchical or scattered to an extensive area geographically.

For this, managers should always organize meetings with employees and tries to have face-to-face communication with employee personal (Tourish & Hargie, 2004).

Choosing the best internal communication approach rests as much on expectations and opinions of employees as on potential efficiency of message delivery. Employees have a tendency to assess communication channels based on their expectations for those channels (Cameron & McCollum, 1993). "It is recommended that the managers allocate more time to communicate the information because the lack of communication and the inappropriate communication can lead to misunderstanding and dissatisfaction of the employees." (Ruşet, 2013)

According to a study done by Semegine (2012), total or partial absence of internal communication leads to the following negative effects: losing confidence towards managers, low level of identification, high level of fluctuation, and spread of informal communication.

Also, effective internal communication provide the mechanism that add to the fine tuning among employees and the organization, involving them to a company’s strategy and vision (Argenti & Forman, 2004), spreading the organizational mission (Cheney & Christensen, 2001), and providing employees with information about the company’s developing objectives (Welch & Jackson, 2007)

**The Role of Internal Organizational Communication**

Information about the job, organization, environment and others in the organization, all this information is provided by internal communication. Internal communication can be used to motivate, create shared objectives, build trust and lay the infrastructure for employee engagement. When used effectively in an organization, it can be considered as a method of expressing feelings, share hopes and ambitions and celebrate and remember accomplishments. (Rajhans, 2012)

**Figure 1:** hierarchy of employees’ communication needs
The above figure shows the hierarchy of employees’ communication needs that reflect the crucial role of internal communication. Through communication, individuals and groups can make sense of their role in organization, what are they supposed to perform their job and the significant of it. Also, based on D’Aprix (1996) hierarchy, the areas in which effective internal communication plays a major role in organization such as:

- Explain job responsibilities.
- Provide performance feedback.
- Adhere to individual need of employees
- Affect unity of work and create unity of objectives
- Create a work environment that focus on organizations’ vision, mission, and values.
- Offer a sense of empowerment for employees.

Internal communication plays a strategic role in organizations, as it created a “buy-in” for organization’s strategies and goals. The business strategy has to reach employees and win them to accomplish optimal effectiveness. Employees need to know the overall plan of the organization and their role in achieving its vision (Moorcroft, 2003). Internal communication provides employees with “core story” that continuously translate strategy into its smaller aspect such as mission and organizational values (Sanchez, 2004).

Internal communication has a critical strategic role in empowering employees to act proactively, mobilizing intrapreneurialism and motivating innovation. ((Invernizzi, Biraghi, & Rome, 2012), (Mazzei, 2010)). Also, it motivates employees to share their tacit knowledge, encourage team working, and change the process in which they get things done.(Invernizzi, Biraghi, & Rome, 2012)

Finally, Tench and Yeomans (2006) think that the main purpose of internal communication is to build a two-way relationship with internal publics, with the goal of increasing organisational effectiveness. And that some of the main roles of effective internal communication within an organisation include the following (Govender, 2014)

- To support change programmes;
- To Communicate messages from top management;
- To Raise awareness of the organisation’s priorities;
- To Raise/maintain the credibility of the top team;
- To Increase employee motivation;
- To Enhance efficiency and productivity;
- To facilitate feedback;
- To Enhance manager’s communication skills.

**Internal organizational communication effect on organizations’ performance**

The effective communication is not only necessary to build up proper channels between managers and employees, but also necessary to contribute implicitly the overall performance of organization (Yildrim, 2014). To perform their activity properly, the employees need to receive enough information from key sources and through adequate channels. (Zagan-Zelter, 2007)

Information sharing is vital for effective decision making and should include the full range of creativity, experience, and insight from employees (Miles, 1965). High performance teams have both a clear understanding of the goal to be achieved and a belief that the goal embodies a worthwhile or important result.(CommGAP, n.d.)

The increasingly complex and highly competitive nature of today’s business environment puts greater pleasure on employees and also calls for more concerted effort in the area of communication (Argenti P., 2007). Organizational outputs such as organizational commitment, performance, organizational citizenship behaviors, and job satisfaction positively affected by Internal Organizational communication (Porca & Baesua, 2014).

A study was made by Udgebe, Maurice Imedebugor, Ogundipe Kehinde Ahmed Akintola Omobola Ganiyat, Kareem, Rashidat (2012) to examine the impact of communication on organizational performance in Nigerian companies. The results of the study suggest that business communication generally affects organizational performance to a sensible degree. Another study by Asamu Festus Femi (2014) investigated the relationship between communication and workers’ performance in some selected organizations. The study revealed that effective communication generates common understanding between management and workers.

Studies have proven that employees felt more supported from organization and managers; that increase performance and efforts to benefit organization, when there are an open communication channels that provide upward and downward lines of communications.(Proctor, 2014)

There new studies showed that there is a connection between communication and performance. One study performed by (Neves & Eisenberger, 2012) investigated the relationship between internal communication by management and its influence on gained support and its significance on performance. The study found solid indications that different parts of management communication are positively related to employee’s performance. Internal communication and employee productivity
Effective internal communication is key in increasing employee productivity because it directly impacts the behavior of employees and the way they perform. Appropriate communication with clear commands between managers and employees plays a critical role in employee task completion, which eventually increases department productivity. (Rybacka, 2016)

According to Yates (2006), "effective communication practices drive employee engagement, commitment, retention, and productivity, which, in turn translate into enhanced business performance that generates superior financial returns".

A recent study done by (NEBO, NWANKWO, Ngozi, OKONKWO, & Ifeoma, 2015) found that effective communication with management and staff is the solution for continual and increased productivity of the employees and organizational performances.

In the opinion of Neves & Eisenberger (2012), employees who practice effective communication with managers are more expectedly to build effective work relationships with those managers, which have a direct influence in the incremental to organizational productivity.

Also, as per White, Vanc, & Stafford (2010) one of the most important competitive advantages of strategic internal communication is its benefits of employee satisfaction and productivity.

When employees are satisfied with internal communication in their organizations organizational commitment, productivity, job performance and satisfaction and other significant results increases (Gray & Laidlaw, 2004)

III. RESEARCH METHODOLOGY

This exploratory research intended to clarify the role of internal organizational communication in organizations, and the effect it has on employee performance and organization effectiveness. The information gathered from this research can be later used as building block for more detailed researches about internal organizational communication, and help to develop hypotheses.

A narrative literature review method has been used to describe the role of internal organizational communication organizations and its effect on organizations. Thus, this research is entirely n based on secondary data gathered from published academic journals, case studies, websites, and related books.

IV. ANALYSIS AND DISCUSSION

The purpose of this study was to identify the role of internal communication when implemented effectively and its relation to overall organization performance. There is a vast amount of researches done to study the effect of effective internal communication, which is presented in the analysis and discussion of this study.

Role of Organizational Communication

In the study done by (Abugre J., 2011), which analyzed data with a sample size of 90 employees with a ratio of 30 randomly selected middle and senior level workers from three different organizations, the following results were highlighted by participant:

- 37.0% of the employees said communication is used to deliver instructions;
- 30.9% said communication is used for basic information needed for job;
- 12.9% said communication is used to resolve work related issues;
- 9.9% said communication is used to encourage dialogue and team building;
- 9.3% said communication is used to motivate staff to work.

Also, the study results of (Abugre J., 2011) were consistent with past researches done by (De ridder, 2004) and (Abugre J. b., 2010). As the study found that effective organizational communication present a direct and positive relationship with job satisfaction and positive commitment of employees at the organizational level as a result of general employee satisfaction.

Also, based on researches done by (De Ridder, 2003; Postmes et al., 2001; Meyer & Allen, 1997), It was found that internal communication when enforced effectively, can generate community spirit within organization’s employees.

Finally, in a study done Christine Proctor (2014) on effective communication, the finding proved that there is a relationship between participants’ attitude, happiness, and job satisfaction with the level of communication from managers and the capability of employees to provide ideas, observations, and feedback. Also, it showed that effective two-way communication makes employees more contented and creates higher job satisfaction. Moreover, two-way communication is an effective tool that allows managers to assign tasks more effectively and more appropriately, and makes the goals of the organization to be the goals of the department.

Internal organizational communication effect on organizations’ performance

In a study done by (NEBO, NWANKWO, Ngozi, OKONKWO, & Ifeoma, 2015) found that there is a significant relationship between effective communication and employee performance and that communication gap has negative effect on managerial procedures. And, that the usage of various communication techniques has improved the performance of employee in terms of their relationship with their managers.

http://indusedu.org
Also, some studies indicate that effective internal communication plays a major role in increasing job satisfaction and performance (Eisenberger & Stinglhamber, 2011; Rhoades & Eisenberger, 2002; Shore & Shore, 1995).

Moreover, the usage of different internal communication techniques has a direct relation to employee’s satisfaction levels, which then can lead to improved employee performance that eventually result in overall increase in organization productivity.

Correspondingly, as per (Yates, 2006) effective internal communication practices improve and increases employee engagement; which leads to lower turnover and increased employee productivity as illustrated in the above figure 2. Thus, effective internal communication has a direct effect on organization performance “higher financial performance”, which means to higher market premium and return on investment.

**Figure 2: Influence of internal communication on the performance of the organization**

![Diagram](Source: (Yates, 2006, p 73))

Similarly, the results show that there is a significant need to setup an effective internal communication in organization, as it is essential element that contributes implicitly the overall performance of organization (Yildrim, 2014). Additionally, Figure 3 below illustrate that performance improve when internal communication practiced effectively, as it makes employees focus on organization goals and objectives, improves products and services of the organization, and cuts costs. Which means achievement of organization goals effectively and efficiently.

**Figure 3: Sources of performance improvement – the business case for internal communication**

![Diagram](Source: (Smith & Mounter, Effective Internal Communication, 2008))

**Internal communication and employee productivity**

In the study done by (Tucker, Meyer, & Westerman, 1996), the results show that the effectiveness and commitment of employees depends largely on the received knowledge and their understanding of the strategic issues of the company.

Also, in the three-component model of organization commitment tested by (Meyer & Allen, 1991), evidence found that commitment and support comes from communication with senior management and supervisors. Honest and effective communication styles between members of organization allow them to achieve organization’s objectives. Commitment to the organization increases, which raise the job satisfaction and organization’s success.

Several studies on organization communication have shown that the appropriateness of information provided by the organization contributes to employees’ job satisfaction which motivates the staff to achieve the organization goals and objectives.

Additionally, as explained by Smith and Mounter in their book “The effectiveness and commitment of employees depends largely on the received knowledge and their understanding of the strategic issues of the company (Tucker, Meyer, & Westerman, 1996)
Also, the work of (Smith & Mouncer, 2008) shows that there is a positive relation between effective internal communication and increase in employee performance and consequently on organization productivity. Finally, as per (Yates, 2006) effective internal communication practices improve and increases employee engagement; which leads to lower turnover and increased employee productivity as illustrated in the above figure 2.

V. CONCLUSION AND RECOMMENDATIONS

In conclusion, internal communication plays a critical role in any organization, as it involves transmitting and receiving information; information crucial to not only accomplishing organizations’ goals and objectives but also to the failure or success of the organization. Enforcing a solid communication process and implementing it among staff and management has to be a priority to the organization. As the result show a significant relationship between effective internal communication and organization and employee performance. Moreover, when proper communication channels are developed, there were obvious improvement in employees’ attitude, job satisfaction, job commitment, and productivity.

There has to be a continuous process of identifying and testing the level of communication satisfaction within organizations. This can create the awareness the organization needs to identify the weaknesses and strength of the current communication process.

The increasingly complex and highly competitive nature of today’s business environment puts greater pleasure on employees and also calls for more concerted effort in the area of communication (Argenti P., 2007). Organizational outputs such as organizational commitment, performance, organizational citizenship behaviors, and job satisfaction are positively affected by Internal Organizational communication (Borca & Baesua, 2014). Also, organization should continuously work on improving their internal communication process to assess the level of its competency and remove any barriers that could lead to delays in the communication chain. The communication process needs to be transparent, efficient and effective, and compatible with employee needs and nature of the organization.

Finally, the internal communication process consists of eight key parts: the sender, encoding, the message, the channel, decoding, the receiver, noise, and feedback (Robbins & Judge, 2013). And each part of the process holds a great significant in influencing the effectiveness of the internal communication, thus a separate research has to be done to evaluate the significant of each part in organizations. And, internal communication effectiveness model need to be developed.

Limitation of the Study

There are many limitations in the research as it is based on secondary data gathered from studies done in different countries for various purpose and organizations.

Each study on different organizations would yield different results, as the competency of organizational communication is directly affected by the organizational conditions, Organization culture, individual’s needs, interests and goals (Semegine, 2012). This was not studied in this research.

As per (Turkalj & Fosić, 2009), the effectiveness and commitment of employees depend largely on the effectiveness of the organization communicating strategic issues, communication process, communication direction, and feedback. This requires a more comprehensive study that takes all these elements in consideration.

Also, the research does not specify which of the three dimensions of organizational communication were examined or if they were examined separately or collectively. The three dimensions are communication with coworkers, communication with managers and organizational communication policy (Yildirim, 2014).

Also, the research did not test the significant of internal communication in serving the four major functions of communication: control, motivation, emotional expression, and providing information. (Scott & Mitchell, 1976)

Finally, the direction of the internal communication and the communication policy in an organization has not been considered in the research.

Directions for Future Research

A study examining the elements or variables influencing the internal communication effectiveness in serving the four major functions of communication: control, motivation, emotional expression, and provision of information.

Sources of Funding the Study

The Study was self-financed by the authors.

VI. REFERENCES


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