EFFECTIVE COMMUNICATION ON ORGANIZATIONAL

PERFORMANCE. A CASE STUDY OF NATIONAL

HOSPITAL INSURANCE FUND, NAIROBI BRANCH.

BY

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT FOR THE

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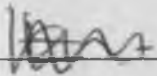
HUMAN RESOURCE MANAGEMENT

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DECLARATION

This research project is my original work and has not been presented for award of

Post Graduate Diploma in any other university.

_____   11 | 07 | 2008

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L 41/ 8022/ 06 (PGD-HRM)

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DEDICATION

I dedicate this research project to my beloved husband Benson Kuria and my lovely children Brian and Valerie. I thank them for their patience and understanding during the course of my study. You are cherished with much affection.

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I wish to express my sincere gratitude to my supervisor, Anne Aseey, Lecturer University of Nairobi, who found time to attend to my work. Her exceptional academic persuasion, patience, devotion and constant scholarly guidance which facilitated the timely completion of this research work. I am grateful and proud to be associated with her.

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ABSTRACT

The study was carried out to assess effective communication and organizational performance at NHIF headquarters, Nairobi. The main objectives of the study were: to investigate how communication is carried out at NHIF; to determine the communication needs of the NHIF employees; to find out the challenges faced by employees of NHIF during the communication process and to establish what can be done to improve the employees and management communication.

The research design used was descriptive survey. The target population was managers and other workers (subordinate staff) of NHIF headquarters, Nairobi. The sample size consisted of 8 managers and 32 other employees (subordinate staff). To select the managers of different departments, purposive sampling was used so that there was a department head in each section of the organization. To select the other employees (subordinate staff), random sampling was used.

The researcher gathered data using two questionnaires, one for the managers and the other for other employees. Questionnaires were self-administered by the researcher through individual visits to the respondents. The instruments were validated using the results of the pilot study. The data collected was analysed using descriptive statistics such as frequencies and percentages and the Statistical Package for Social Sciences (SPSS).

The research findings revealed that the main cannels of communication at NHIF were letters and memos. Thus, communication becomes more mechanistic and impersonal and hinders social interaction which is a vital ingredient of effective communication. The other mentioned means of communication were telephone/e-mail, notice boards conferences, face to face conferences and committees. Most of the employees were not aware of the communication policy which majority of the managers felt that it fitted into the NHIF objectives.

The study also revealed that the organization tried to ensure that the employees receive clear, accurate and prompt information of what is expected of them. Most

subordinate respondents reported that the employees were not given an opportunity to voice their suggestions and fears due to fear of losing their jobs. The organization did not also implement the views and opinion the employees, only the views and opinion of the top management staff could be implemented.

The study revealed that bureaucracy of NHIF; poor interpersonal relations between management and employees and among the employees themselves, top-down communication, leadership styles and inappropriate channels of communication were the main challenges to effective communication at NHIF.

Lastly, research found out that there was need for employees' access to information on the computers via the e-mail; need for follow-up programmes to ensure proper channels are followed; need for timely and accurate feedback which would in turn lead to a smooth supply of information to the employees, holding regular meetings and need to implement the voiced concerns of the employees.

The study also recommended the following to be done by NHIF:
1   Amend its communication policy on a continuous basis;
2   Apply training and carry out impact assessment to ensure communication takes place;
3   Reward and motivate workers to undertake training in communication skills;
4   Ensure follow up programmes are in place.
5   Carry out frequent communication needs analysis
6   Encourage team work so that the employees can work towards improving their relationship with each other and with the management. Once relations are improved, it will be possible to work as a team and improve organizational performance.

The study had the following suggestions for further study:
1   The study was limited to NHIF headquarter in Nairobi. A similar research can be carried out in other branches to elicit more accurate national outlook of the effective communication and organizational performance.

2   A study can also be done to check whether improved communication at NHIF form a basis for career development.

3   Since this study was based on internal point of view of effective communication, there is room for more research in broader terms that will include external communities such as customers, suppliers and other general public.

4   A comparative study could also be undertaken to establish the extent to which effective communication affects organizational performance in other organizations and institutions.

5   A study can also be carried out to investigate whether the management style and employee attitude affects effective communication at NHIF.

1.0 Background of the study

The National Hospital Insurance Fund was established under the National Insurance Fund Act of 1998. This Act stated that there shall be a fund known as the National Hospital Insurance Fund which shall vest in and be operated and managed by the board.

The Board of management shall consist of: Chairman to be appointed by the President by virtual of his knowledge and experience in matters relating to insurance, financial management, economics, health or business administration; The Permanent Secretary in the Ministry for the time being responsible for matters relating to health or his representative; Permanent Secretary to the Treasury or his representative; The Permanent Secretary / Director of Personnel Management or his representative; the Director of Medical Services; One person nominated by the Federation of Kenya Employers (FKE); Central Organization of Trade Union (COTU); Kenya National Union of Teachers (KNUT) and Kenya National Farmers Union (KNFU).

Other people included in the NHIF management Board are: two members appointed by the Minister; one from the Association of Kenya Insurer and the other from non-profit making health Association such as hospitals managed on a charitable bass by religious organizations and one member representing non-governmental organizations involved in the provision of health care services, nominated by the Non-Governmental Organizations Council established under the Non-Governmental Organizations Co-ordination Act, 1990.

The Board is allowed to appoint officers, inspectors and servants who are necessary for the proper discharge of the functions stated in this Act or any other written law, upon such terms and conditions of service as the Board may determine.

Objects and the functions of NHIF

The objects and the functions of the Board according to NHIF Act shall be;

To receive all contributions and other payments as required by this Act to be made to the fund and to make payments out of the Fund to declared hospitals in accordance with the provisions of this Act.

In consultation with the minister, to set the criteria for the declaration of hospitals and to declare such hospitals in accordance thereto for the purposes of this Act; to regulate the contributions payable to the Fund and the benefits and other payments to be made out of the Fund; to protect the of contributors to the Fund; to advise the Minister on the national policy to be followed with regard to national health insurance and to implement all Government policies relating thereto and to perform such other functions as are conferred on it by this Act or by any other written law.

Hanson (1996) stated that for employees in any organization to perform their duties effectively, they need effective communication. NHIF being an organization, in order for members of staff appointed by the Board to perform their duties effectively, there is need for effective communication.

Communication is the process of creating, transmitting and interpreting ideas, facts, opinions and feelings. It is a process that is essentially a sharing one and a mutual interchange between two or more persons. Okumbe (1998).

Communication is the process by which information is transferred or transmitted from sender to the receiver with the information being understood by the receiver and acted upon appropriately. Communication is essential in our lives as it establishes a link between people every day, Mbiti (1999) has referred to communication as the life blood of any organization and without it, it is impossible to run the activities of an organization.

Communication is also defined as the exchange of messages between an organization and its environment as well as between its networks of interdependent subsystems. Communication is the glue that holds an organization together and harmonizes its parts, Hanson (1996).

The notion that communication plays a vital role in influencing efficiency and organizational performance all over the world is indisputable. International organizations rely heavily on communication to enhance and sustain their efficiency and performance. It is due to the importance attached to communication which has led

to the development of Information, Communication and Technology (ICTs) in both local and international organizations.

ICTs have received much attention in many countries because of the promise they hold for social- economic development and infrastructure of any country. Under favourable conditions, they can be powerful instruments for increasing productivity, generate economic growth, sustainable development and creation of jobs and improve the quality of life of all.

New communication technology such as the internet, e-mail, mobile phone, teleconferencing and voice- mail have led to changes in the entire way of life, thinking, values, habits, political and legal processes and overall organizational performance. For instance in the business organizations, they use business information systems such as the Electronic Data Interchange to provide information for internal operations of the business, information for proper control and for external reports.

Better methods of communication both inside and outside the business such as mobile phones, Electronic mail (e-mail) and internet (Electronic commerce/e-commerce) are used to improve the efficiency and organizational performance. The most important part of the internet in business is the World Wide Web which is used to access the world market, promote and advertise their products and services. E-mails are used to send inquiries about the products and their prices, receiving replies, sending orders and receiving invoices. Thus, for any business organization to survive and improve its performance, it must adopt to the prevailing Information, Communication and Technology. (World Telecommunication Report, (2006).

According to World Telecommunication Report, (2006), in the Education sector, communication tools such as the internet and e-mails enable the students to search for and analyse information to communicate effectively, collaborate with others with diverse skills and backgrounds and to think critically, innovatively and creatively. Students can also use communication technologies such as teleconferencing to work in teams and learn continuously. (Htt://www.managementhelp.org/mtgmgmnt.htm).

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In the tourism industry, the use of communication technologies such as the Electronic interface, internet and e-tourism has improved the performance tourist industry and increased the tourist arrival. The tourists who wish to travel can check out in the Website or internet and make their bookings in advance. (Mukami G.2007).

Mukami G. (2007) further stated that, the international banks such as Standard and Barclays rely heavily on communication technology to enhance and sustain their efficiency. They have adopted e-banking, bank exchange clearing, Automated Teller Machines (ATM) and Bankers Automated Clearing House (BACH). These banking facilities improve the quality of service.

For communication to be effective and improve efficiency and organizational performance, every organization should embrace appropriate communication technology which is relevant to its needs and viable economically.

Waweru (2002) says that communication is the process of interchanging thoughts, feelings and information. Therefore, communication is the process by which information is exchanged between individuals intentionally or unintentionally. Specifically, it is the transfer and understanding of the meaning.

Too often, there is a difference between what we say, what we think we have said and between how we feel we handled people and how we think they have been treated. According to this statement, the management may feel that they have communicated effectively to the employees, not being aware that the information communicated is prone to misinterpretation.

According to Mullins (2002), good two way communication is required so that management can keep employees informed of the policies and plans affecting them and the employees can react promptly with their views about the management's proposals and actions. There is the specific need for downward communication from the management to the employees in relation to matters such as the employees' duties and obligations, management plans and intentions, changes in the organizational structure and the performance standards and organizational objectives.

On the other hand. employees need to communicate with the management in relation to queries regarding management instructions and the stated intentions, suggestions for improving working methods and processes and the problems experienced at work.

Coley (1975) say communication is the mechanism through which all human relations exist and develop all the symbols of the mind together with the means of conveying through space and preserving them in time. In this definition he emphasizes the social function of communication. People in organizations typically spend over 75% of their time in an interpersonal situations. thus it is no surprise to find that at the root of a large number of organizational problems is poor communication. Effective communication is therefore an essential component of organizational performance whether at the inter-personal. inter-group, intra-group, organizational or at the external levels. (Robbins S.P. 2003).

Since the National Hospital Insurance Fund organization is composed of the management (board) and the employees who need to communicate for the proper discharge of their duties. there is need to look into the communication between the management and the employees and how it affects the organizational performance.

1.1 Statement of the problem

Effective Communication is the backbone of good organizational performance because it plays a very important role in the attainment of its goals and objectives. An efficient communication system and information flow in an organization is a prerequisite to making them relevant and relate well with the society. Unfortunately, there seem to be lack of a coordinated and efficient communication policy at NHIF. The NHIF clients have been complaining of serious delays in the processing of their claims. Since communication plays a vital role in harmonizing all departments of an organization so as to enhance organizational performance, there was need to evaluate the organizational communication structure, channels of communication, communication policy and communication system at NHIF to find out how relevant and effective they are in this era of Information Technology, so as to establish the effectiveness of communication in NHIF and its effects on the organizational performance.

1.2 Purpose of the study

This study sought to analyze the effects of effective communication on the employees' efficiency and performance. communication process, channels of communication. challenges faced by NHIF employees during communication and the effects of communication on organizational efficiency and performance. At the end of the study the researcher recommended possible changes necessary in the communication process for increased efficiency and good organizational performance at NHIF.

1.3 Objectives of the study

1.3.0 General objective

The general objective of the study was to assess effective communication and organizational performance at NHIF headquarters in Nairobi.

1.3.1 Specific objectives

The study aimed at achieving the following specific objectives:

1. To investigate how communication is carried out in NHIF.
2. To determine the communication needs of the employees of NHIF.
3. To find out the challenges faced by the employees during the communication process.
4. To establish what can be done to improve employee and the management's communication.

1.4 Research questions

1. How is communication carried out in NHIF?
2. What are the communication needs of NHIF employees?
3. What are the challenges faced by the employees of NHIF?
4. What can be done to improve the employees and management communication?

1.5 Limitations of the study

1. Bureaucracy in the NHIF delayed the approval from the authorities for the researcher to commence the study.

2. There was financial constraint. being the sole financier of the research. Travelling to various libraries to gather literature, preparation of copies of complete research report made the work expensive.
3. There were difficulties in accessing staff records such as appraisal forms whereby there were comments about communication in NHIF. This would have served as an important source of secondary data.

1.6 Delimitations of the study

The delimitations of the study were that;

1. The study covered only the NHIF branch in Nairobi and not those branches outside Nairobi.
2. The study was confined to only the permanently employed staff of NHIF.

1.7 Basic Assumptions of the study

The following were assumptions of the study:

1. The respondents (employees and management) will be willing to co-operate and give honest. accurate and truthful responses to the items in the instruments.
2. Poor organizational performance is partly as a result of ineffective communication.

1.8 Significance of the study

The study is potentially beneficial in a number of ways. The findings can;

1. Provide information to the stakeholders of NHIF on the communication needs. problems, possible solutions and the effects of communication on organizational performance.
2. Add to the general body of existing knowledge in the area of communication.
3. Provide information that would enable the management to provide favourable communication atmosphere necessary for vibrant growth of NHIF.
4. Help nurture understanding between the senior and junior staff.
5. Help control any situation through engaging in suitable communication.

1.9 Definition of significant terms

Benefit- means a benefit payable to the contributor.

Board- means the National Hospital Insurance Fund Management Board established by NHIF Act section 4.

Contributor- means a person liable to contribute to the Fund.

Efficiency- Efficiency refers to quality of doing something well and thoroughly with no waste of time, money or energy. In other words, it is maximizing production through the use of scarce resources and hence reducing waste.

Employees – An employee is the human resource in an organization used in the achievement of goals and objectives.

Employee management- This is part of the role of every person who is responsible for the work of others.

Fund- means the National Hospital Insurance Fund

Hospital- means any medical institution or premises in which persons are received and treated as out-patients or in-patient, and include a maternity home, a nursing home and a health clinic.

Communication is the process by which information is transferred from the sender to the receiver, resulting to a receiver acting or responding to the information appropriately.

An Organization is a stable system of individuals who work together to achieve, through a hierarchy of ranks and division of labour, common goals.

1.10 Organization of the study

This study is organized into five chapters.

Chapter one will consist of the background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, significance of the study, limitations of the study, delimitations of the study, basic assumptions of the study, definition of terms and organization of the study.

Chapter two deals with the literature review relevant to the study on communication process, communication tools and organizational performance. A summary of relevant studies conducted in this area and a conceptual framework.

Chapter three consist of a detailed description of the research methodology used in the study. It describes the research design, target population, sample size and sampling techniques, research instruments, instrument validity and reliability, data collection procedures and data analysis techniques.

Chapter four entails reports on the data obtained from the findings and the interpretations of the findings.

Chapter five contains the summary of the study, conclusions and recommendations, appendices and a list of bibliography. It will have following sub-topics: summary, findings, conclusions, recommendations and suggestions for further research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Imagine a world without communication. A world where man live as individual without interaction, never sharing experience and knowledge. Such a world is inconceivable and impossible to imagine. Communication has a position of such unquestionable primacy in the affairs of mankind. It makes organizations possible and organizations then have enabled our present system of organized lifestyle.

A study carried out by Belo,(1960) showed that the average American spends approximately seventy per cent (70%) of his active hours communicating verbally, listening, speaking, reading or writing in that order. Organizations require interaction or communication for existence. They are structured to work towards objectives and the organization's communication processes necessarily link the managers, subordinates, peers and the external environment. To achieve its objectives, the organization demands that leadership be exercised, people motivated, decisions made, efforts co-ordinated and operations controlled. Each of these involves interaction between persons and thus involves communication.

This chapter is organized into four broad areas namely, role of communication in employee management, elements in the communication process, effective communication within the organization and barriers to effective organizational communication. Research findings concerning these areas are also reviewed, a theoretical framework given and the chapter end with a conceptual framework.

2.1.1 The Objectives and Functions of NHIF.

The objectives of NHIF as stated in the National Hospital Insurance Fund Act (1998) are to receive contribution and other payments required by the Act to be made to the fund, to make payments out of the fund to declared hospitals in accordance with the provisions of this Act; in consultation with the minister, to set the criteria for the

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declaration of hospitals; to regulate the contributions payable to the fund and the benefits and other payments to be made out of the fund; to protect the interests of the contributors of the Fund; and to perform any other functions as are conferred on it by the Act or by any other written law. For these objectives to be achieved effective communication between the management and employees, among the employees and between the management and the clients is necessary. There is need to investigate how communication affect the NHIF employees as they strive to achieve the objectives and functions of the organisation.

2.1.2 General Reasons for Effective Communication in Employee Management.

We live in an organized society and communication gives life to an organizational structure. Chester Bernard,(1990) recognized that 'in any exhaustive theory of organization, communication would occupy a central place because the structure, extensiveness and scope of organizations are almost entirely determined by communication technique.' Communication can be regarded as the foundation upon which organization and administration must be built. Thus, Bernard also stressed that the first executive function of the management is to develop and maintain a system of communication. Rogers,(1976).

Several authors including Desmond (1990), Mcgarry (1975), Mullins L.J (2002), Pearson J. (1983) Stephen P. Robbins(2003) and Terry Lucey, (1997) all agree that communication serves the following four functions within an organization;

- Communication control employees' behaviour. Organizations have authority hierarchies and formal guidelines that employees are required to follow such as following their job description and complying with organization policies.
- Communication fosters motivation by clarifying what is to be done, how it is to be done and what to be done to improve performance.
- Communication which takes place within work groups is a fundamental mechanism by which members share their frustrations or their feelings of satisfaction within both their work related activities and social aspects of their lives. In this way communication provides a release for the emotional expression of feelings and for fulfilment of social goal.

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Communication facilitates decision making by gathering and providing the information that individuals and management need for making appropriate decisions.

Katz and Kahn (1966) argues that communication is a social process of broadest relevance in the functioning of any group, organization or society and that it is the very essence of a social system of an organization. Herbert Simon (1956) probably stated it most sweepingly; `` the question to be asked of any administrative process is; how does it influence the decisions of the individual? Without communication, the answer must always be; it does not influence them at all.'' (Rogers, 1976)

Rogers (1976), sees an organization as a stable system of individuals who work together to achieve, through a hierarchy of ranks and divisions of labour, organizational goals. To do this, the individuals requires information to enable them make appropriate decisions. Therefore, enough information must be availed to them to dismantle their individuality. `` The behaviour of people in organizations is still the behaviour of individual, but it has a different set of determinants than outside organizational roles.'' Most of these distinctive determinants are variables that involve the organizational structure. Since the organizational communication occurs in a highly structured context, the organizational structure tends to affect the communication process. Hence communication from a subordinate to a superior is very different from communication between equals. (Katz and Kahn, 1978).

In an open system perspective, an organization is seen as an elaborate set of interconnected communication channels designed to impart, sort and analyze information from the environment and export the processed message back to the environment. `` Communication provides a means for making and executing decisions, obtaining feedback and correcting organizational objectives and procedures as the situation demands.'' (Rogers and Rogers 1976)

Communication is seen as a thread that holds the various interdepartmental parts of an organization together. If communication were somehow removed from an organization or industry, it would collapse instantly. `` When communication stops, organized activity ceases to exist and individual uncoordinated activity returns.'' (Hicks and Gullett, 1976)

Communication is not only an essential ingredient in the internal functioning of an organization, but it is also vital in the organization's information exchange with its environment. According to Guetzkow,(1965), the communication system serves as the vehicle by which organizations are embedded in their environments.

An organization might emphasize training and development of other managerial skills, but communication is often taken for granted. There is an assumption that if an individual can speak, read and writes, then he can communicate. Communication is not just reading, writing and speaking; rather it us the transfer of information and understanding from one person to another. (Waweru, 2002).

The importance of communication research as seen by Deutch (1952), rests in understanding the requisite pathways by which communication is communicated between different parts of an organization. Further, the research has enabled scholars to determine how communication is applied to the behaviour of the organization relation to the outside world and we will have gone far towards understanding that organization.

The gist of studying communication in an organization lies in recognizing it as a process by which an idea is transferred from a source to a receiver with the intention of changing his/her behaviour. Communication relates with an organization in that different individuals work together to achieve common goals and objectives. This can only happen in an environment where free flow of information persists.

Webber (1970) has shown that supervisors perceive that they communicate more with their subordinates than their subordinates perceive they do. Likewise, the subordinates perceive that they send more messages to their supervisors than their supervisors perceive they do. Webber's finding indicates that both parties perceive that the other fails to keep them adequately informed. That breakdown in communication results from perceptual differences between both supervisors and subordinates.

Lack of effective communication can result to a variety of ailments such as low employee morale, high absenteeism and turnover rates, low productivity, resistance to change and perhaps most frequently labour conflicts. After recognizing the importance of communication at all levels in an organization, there is need to carry

out a study to find out whether the NHIF management places strong emphasis on employee communication programs.

2.1.3 Individual and Organizational Communication Research

One approach to research on organizational communication has been to discover and analyze the interpersonal communication patterns within network analysis procedures. The next step is then to compare these patterns with the formal communication patterns that would be expected on the basis of the organizational structure. Network analysis is an essential research tool in analyzing the existing reality. It is used to isolate key communication roles in an organization as **Gatekeepers, Liaisons, Opinion leadership** and **Cosmopolites**.

A **Gatekeeper** is an individual located in a communication structure as to control the messages flowing through a communication channel. One function of a gatekeeper is to decrease information overload as he/she filters message flows. The ability of the gatekeeper to filter low- importance messages and allow high-importance messages to pass determines whether or not the gatekeeper is preventing overload without greatly increasing distortion and omission in an organization.

A **Liaison** is an individual who interpersonally connects two or more cliques within a system without himself belonging to any clique. These are positioned at the cross-roads of information flows in an organization. The importance of liaisons lies in their getting communication messages from one subsystem to another within an organization.

Opinion leadership is the ability to informally influence other individuals or behaviour in a desired way with relatively low frequency. Lazerfeld (1948) originally coined the concept of opinion leadership and others as part of the two-step flow model. It hypothesized that communication messages flow from a source via mass media channels to opinion leaders who in turn pass them on to followers in the public audience.(Rogers and Rogers, 1976:139).

Studies conducted on the role of opinion leadership in organizations concluded their function as. ' to bring the group in touch with the relevant part of its environment.' In

most organizations, opinion leadership is not possessed solely by the higher executive but across section of the workers in the organization. (Katz, 1978).

A **Cosmopolite** is an individual who has relatively high degree of communication with the system's environment. These are a special type of gatekeepers, found at the operational level of an organization and control the communication flows by which new ideas enter the system.

While the mechanical perspective towards human communication places primary emphasis on the channels that link communicators, the psychological perspective focuses specifically on how characteristics of individuals affect their communication. This is affected by informational environment that includes stimulus, thus the 'conceptual filters' of individuals become the locus of the communication process.

Fulk and Mani (1986) in studies of upward distortion in hierarchical relationship investigated how subordinates perceptions of their supervisors' downward communication behaviour and perceptions of their role affect subordinates perceptions of their own tendencies to distort upward communication. Their findings suggested that perceptual and cognitive processes within subordinates determine whether and to what extent subordinates will distort upward communication.

2.1.4 Main Elements in the Communication Process

The main elements in the communication process are the Message/Source, Channel, Sender, Receiver, Transmission, Encoding, Decoding, Meaning, Feedback and Communication effects. The management can improve communication skills by becoming aware of these elements and how they contribute to effective communication. (Berlo, 1960)

The communication process can be expressed in a diagram as follows:

Figure 1; Communication Process Model

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┌──────────┐     ┌──────────┐     ┌──────────┐     ┌──────────┐     ┌──────────┐
│ Source / │ ──▶ │ Encoding │ ──▶ │ Channel/ │ ──▶ │ Decoding │ ──▶ │ Receiver │
│ Sender   │     │          │     │ medium   │     │          │     │          │
└──────────┘     └──────────┘     └──────────┘     └──────────┘     └──────────┘
      ▲                                                                   │
      │                           ┌──────────┐                           │
      └───────────────────────────│ Feedback │◀──────────────────────────┘
                                  └──────────┘
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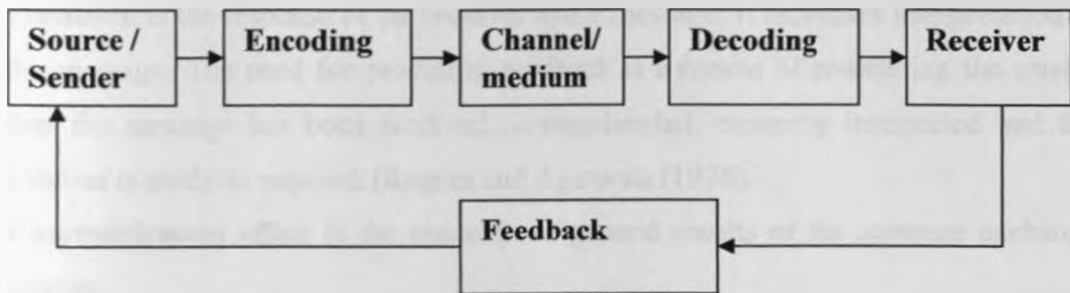
Source: Stephen P Robbins (2003). Organizational Behaviour, concepts,
controversies and applications; Prentice Hall International INC; page 329

Sender is the person who sends a message or the generalized source of a message

Message-is the verbal and non-verbal cues each communicator conveys.

Channel is the vehicle or the medium in which a message travels. The various
channels of communication include; oral or speech, written, signs, gestures or silence.

Receiver is a message's destination or the person who receives and deciphers it.

Transmission is the actual sending and receiving of message through designated
channels.

Encoding is the process of formulating ideas, thoughts and feelings about objects and
events and transforming it into some form of message, such as words, symbols or
gestures. The outcome of the encoding process is either a verbal or nonverbal
message.

Decoding is the process by which the received message is translated into ideas,
thoughts and feelings by the recipient. The effectiveness of the decoding process
depends on the receiver's relationship with the sender, attitude and cultural
background. (Jamieson G.H. 1985).

Meaning is achieved during encoding/decoding process by interpreting or making sense of the message.

Feedback is the response of the receiver to the message. It facilitates interpretation of the message. The need for providing feedback is a means of re-assuring the sender that the message has been received, comprehended, correctly interpreted and the receiver is ready to respond. (Rogers and Agarwala (1976).

Communication effect is the outcome or general results of the message exchange process.

From a mechanical point of view, human communication is viewed as a transmission process in which a message travels across space (channel) from one point to another. Thus, the locus of communication is the channel. The channels inter-link all the communication elements. The emphasis on channel in a communication process stems from the fact that lack of it denotes no communication. Organizational communication network research is almost entirely mechanistic since it focuses primarily on the channels that allow communication to flow among individuals. (Rogers,1976). This study was aimed at analysing the main channels of communication used in NHIF and their effects on organizational performance.

2.1.5 Effective Communication and the Organizational Structure

Argyris (1974) describes an organizational structure (chart) as an x-ray of the hierarchical structure through which much about a system's operation and the organization of its formal communication can be learnt from. One means of analyzing an organization is to view it as a communication network. The organizational structure shows how the information flow downwards from the superior to subordinates through the various levels of the organization and it flows upwards the same network.

In addition the formal structure of hierarchical statutes and patterned communication flow, every system has an informal structure that is also very much present. Studies on organizational communication have shown the important role of informal communication relationships in determining workers' productivity. (Rogers, 1976). Informal communication may be vertical-upward or downward-horizontal, in or out of department

The formal and the informal communication channels in an organization are usually complementary and substitutable or sometimes quite distinct. However, sometimes a considerable overlap occurs between the formal organizational structure and the informal communication patterns. (Allan, 1971).

The formal structure and informal structure of an organization usually overlap and tends to complement each other as illustrated in figure 2 below;

Figure 2: An overlap of Formal and informal structure in Organizations.

Adopted from; (Rogers &Rogers, 1976:81)

FORMAL STRUCTURE e.g. organizational chart, Job descriptions, Rules and Regulations

INFORMAL STRUCTURE e.g. Rumours, grapevine, informal work groups.
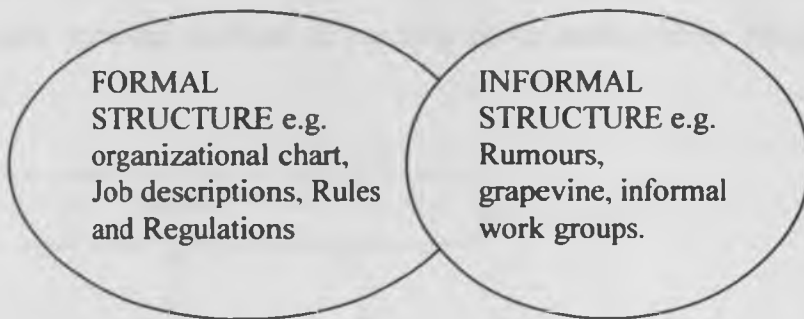
Communication in an organization occurs in a highly structured context. The organizational structure by its rigid structure limits and guides communication flows. Communication structures in an organization determines the effects of such things as centrality, access to other members, open channels, communication linkages and effects of information on the group participation, satisfaction and performance.

The communication system of an organization consist of the process by which requests for information proceed to the point of collection and by which that information is transmitted back to the person requesting it.(Katz and Kahn, 1978).

The major communication problem is often information overload to which the solution is less not more communication. Research has shown that free or less restricted communication flows may cause problems more often than it solves them. An organizational structure must operate so as to condense information and avoid overloading the top management with an avalanche of unnecessary paper work.

Lanzetta and Roby (1957), cautions that the overloaded individual is likely to delegate obligations to other group members. This increases their error since he is likely to neglect his own control responsibilities.

The ideal communication system is one which the information flows are at least partially restricted and in which the structure is so designed that information reaches those locations at which it is most needed, and only those.(Rogers and Rogers 1976).

In conclusion, organizational structure can restrict the accessibility of the receivers to sources through the introduction of gatekeepers in the communication system and thus help to deal with the problem of overload as illustrated below. (Rogers and Rogers, 1976).
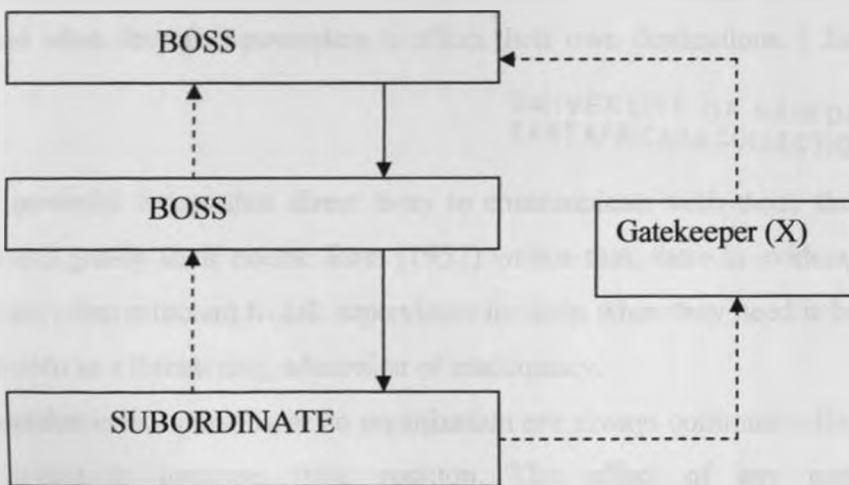
2.1.6 Effective Communication and the Grapevine in organizations

Any solution of communication problem must be on an analysis of the particular situation in which the problem occurs and an application of general principles about communication. Communication flows downwards all right in an organization; the problem is to get communication from below. This however, is not particularly true as communication is like a piece of driftwood on the sea of conflicting currents that flows depending on the tidal movement. (Porter,1977).

Grapevine communications are faster than the formal channels of communication and they form about 75% of the information that is conveyed to the workers in most organizations. Grapevines are usually 75% accurate in the information they convey

and most employees rely on it when they are insecure, threatened or faced with organizational change. Employees use grapevine to acquire the majority of their on-the-job information compared to other forms of communication. (Bennet Rogers 1999)

Communication flow in an organization is unidirectional and is directed by diverse motivational forces. People communicate or fail to communicate in order to achieve some personal goals, to satisfy some personal needs or to improve their immediate situations. A study on communication patterns among the personnel of a medium-sized government agency, found that people communicated far more to members of their own subgroups than to any other person. The study also found out that people would initiate and spread rumours when they are confused and unclear about what is happening and when they feel powerless to affect their own destinations. (Jackson, 1953).

People have powerful forces that direct them to communicate with those they feel more secure and gratify their needs. Ross (1957) writes that, there is evidence that subordinates are often reluctant to ask supervisors for help when they need it because this might be seen as a threatening admission of inadequacy.

The other assertion is that persons in an organization are always communicating as if they were trying to improve their position. The effect of any particular communication depends largely upon the prior feelings and attitudes that the parties concerned have towards one another.

Communication is involved in all human relations. It is the nervous system of any organized group, providing the information and understanding necessary for high productivity and morale. (Porter,1977). One big factor which management has tended to overlook is communication within its own group. Communication to the workers and from the workers depends on effective management and communication; and clearly this in turn requires informal as well as formal channels.

Management communication studies have tended to ignore the informal channels, the grapevine. Whatever happens as a carrier of news and gossip among executives and supervisor, the grapevine often affect the affairs of the management. The grapevine

usually carries juicy and unverifiable information that is fonder for the employees in the absence of authoritative information.

A study on grapevine by Davisk (1953) found that if management wants more communication among executives and supervisors, one way is to increase the number and effectiveness of the liaison individuals in an organization. The management should also encourage further research about management grapevines in order to provide managers with a deeper understanding of them and to find new ways of integrating grapevine activities with the objectives of the organization. (Rogers and Agarwala, 1976).

Organizational communication research that adopts the interpretive perspective usually seeks to explain communication from the view point of organizational members. A study of Maryan Schall (1983) explored communication rules within work groups and the way these rules depict an organizational culture. The results of the study demonstrated the value of the rules approach in describing organizational cultures and revealed that the rules based on insiders descriptions are more accurate depictions of the group culture than those that management prescribes.

2.1.7 Effective Communication within Organizations

The vision and mission of an organization defines its essence of existence and differentiates it from others. To achieve this, communication is a prerequisite and the result of effective communication is realised when the intended action is achieved by first the mind over the others and communication is demonstrated orally, through gestures or even silence.

It is important to define the responsibilities of management and staff in relation to organizational goals and this has already been established in NHIF under the NHIF Act of 1998. The responsibilities have also been formalized by incorporating them into documents such as employee manuals or lease agreements. Effective communication can encourage employees to improve their work environment through positive contributions.

The main objective of communication in an organization is to make it more effective and is the invisible string that ties it together as one unit. There is greater achievement

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when people work together than when they work as individuals. Appropriate and clear messages must be formulated and then the right medium used to communicate within an organization. In organizational communication, the source of the message must be sensitive to the different audience characteristics.

A crucial stage in organizational communication is the choice of the right source of the message that is intended for delivery. Changing sources of information in an organization reduces credibility of the source. Message recipients usually look at the person who has signed the letter and this affects their perception. Any message intended for release in an organization must be made by the most credible source within its hierarchy.

The channel or route identified to deliver the message must be consistent with the intended results. Different channels have unique characteristics for delivery of messages. A multi- prolonged application of the channels identified for message delivery is advisable.

The following objectives should be kept in mind while reviewing and revising your current approach to communicating with employees: provide accurate information about factors that affects their work quality; clarify the responsibilities of each party; establish an effective system for logging and responding to complaints should they occur and provide accurate information. Many indoor problems can be prevented if staff and management understand how their activities affect the organizational performance. This calls for this study to investigate whether most of the employees are aware of their responsibilities at NHIF.

2.1.7.1 Characteristics of Effective Feedback
Pearson J. (1983) highlighted the following characteristics of effective feedback:
It should be descriptive not evaluative (avoid defensiveness). By describing one's own reactions, it leaves the individual feel to use it or not to use it as he sees fit;
It should avoid accusations; present data if necessary; describe objective consequences that have or will occur; focus on behaviour and your own reaction, not on other individual or his or her attributes.

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Effective feedback should also suggest more acceptable alternative; be prepared to discuss additional alternatives; focus on alternatives; specific rather than general; focus on behaviour not the person; it is important we refer to what a person does rather than to what we think he is.

It takes into account the needs of both the receiver and giver of feedback. It should be give to help not to hurt. We often give feedback because it makes us feel better or gives us a psychological advantage. It should be directed towards behaviour which the receiver can do something about. A person gets frustrated when reminded of some shortcomings over which he has no control. Feedback is useful when well timed or soon after the behaviour depending on the person's readiness to hear it and support it. Excellent feedback presented at an inappropriate time may do more harm than good.

Wilkinson (1989) stated that as important as feedback is, a critical managerial task remains one of the most problematic. Many managers would rather have a root canal work than providing feedback, especially feedback that is critical. The reasons are many; fear of other person's reaction; people can get very defensive and emotional when confronted with feedback and many managers are very fearful of the reaction. The feedback may be based on feeling and the managers may be unable to give concrete information if the other person questions the basis for the feedback. The information on which the feedback is based e.g. performance appraisal may be very flawed process and the manager may not totally trust the information. This study will investigate whether the managers of National Hospital Insurance Fund (NHIF) provide effective feedback to the employees.

2.1.8 Barriers to Effective Communication

Harold Koontz and Heinz Weihrich (1974) observed that unfortunately, communication is affects by 'noise', which is anything whether in the sender, transmission or the receiver that hinders communication. It is simply unwanted information. In a work setting, noise is more common since interactions involve people who do not have same years of experience as well as the complex and often conflict relationships that exist at work. There are a number of sources of noise or interference that can enter into communication process:

Language: language is influenced by age, education and cultural background of both the sender and receiver. Poor choice of words or language in which a sender encodes a message, shear lack of fluency on the part of the sender, use of words in very technical or professional context, lack of coherence or poor organization of ideas will influence the quality of communication. Because language is a symbol representation of a phenomenon, room for interpretation and distortion of meaning exists. The same words may be interpreted differently by each person. To ensure there is effective communication language should be simplified in relation to the audience intended.

Perceptual Biases: people attend to stimulus in the environment in very different ways. We each have shortcuts that we use to organize data. Invariably, these shortcuts introduce some biases into communication. Some of these shortcuts include stereotyping, projection and self-fulfilling prophecies.

Interpersonal Relationships: how we perceive communication is affected by the past experience with the individual. Perception is also affected by the organizational relationship two people have. For example, communication from a superior may be perceived differently from that of a subordinate or peer.

Cultural Differences: Effective communication requires deciphering the values, motives, aspirations and assumptions that operates across geographical lines. Given some dramatic differences across cultures in approach to such areas as time, space and privacy, the opportunity for mis-communication while we are in cross-Cultural situations are plentiful

Information Overload: This happens when the receiver has more information than can sort out and use. This leads to selecting out, ignoring, passing over or forgetting information. This in turn leads to loss of information and less effective communication.

Defensiveness: This is engaging in behaviours such as verbally attacking others, making sarcastic remarks, being overly judgemental and questioning other's motives.

When individual interpret another's message as threatening, they often respond in ways that retard effective communication.

Communication Apprehension: this is the undue tension and anxiety about oral communication, written or both, ending communication through memos when telephone calls would have been faster and more appropriate.

If I know it, then everyone must know it. Perhaps this is the most common communication problem in many organizations. The manager's assumption that because they are aware of some piece of information, everyone else knows. Usually the staffs aren't aware unless the management makes a deliberate attempt to carefully convey the information.

We hate bureaucracy; we are 'lean and mean'. Many organizations avoid writing down policies and regulations in the belief that they may be viewed as bureaucracy. This causes confusion unless the management realizes the need for increased and reliable communication.

I told everyone, or some people, or....? Another frequent problem is management not really valuing communication or assuming that it just happens. So they are not aware of what they told to whom, or even when they intended for everyone to know the information.

Did you hear what I meant for you to hear? With today's increasingly diverse workforce, it is easy to believe you have conveyed information to someone, but you are not aware that they interpreted you differently from what you intended. Unfortunately, you may not be aware of this problem until a major problem or issue arises out of the confusion.

Our problems are too big to have to listen to each other! Particularly when employees are tired, fatigued or under stress, it is easy to do what is urgent than what is important. This problem is usually get discovered when it is too late.

So what to talk about? This can arise when inexperienced management interprets its job to be solving problems and if there are no problems or crisis, then there is nothing that needs to be communicated.

If I need your opinion, I will tell you. Communication problem may arise when management simply see no value whatsoever in communicating with the subordinates, believing subordinates should shut up and do their jobs.

There is data and there is information: as organizations grow, their management tends to focus on matters of efficiency. They often generate systems that produce substantial amount of raw data that does not seem to be important.

This study will investigate whether there are barriers to effective communication in NHIF as an organization and how they affect organizational performance.

2.2 Theoretical Framework

Communication studies have come up with various theories and models explaining how information flows in a society. An examination of these models would provide some answers on the role of communication in dissemination of information in an organization. Reviews of pertinent literature in communication show that, diverse theories converge to provide wider meaning towards organizational communication and the relationship between structures and available channels. Early researchers have shown that media have a powerful effect, a phenomenon that made media act as the 'hypodermic needle' or ''Magic Bullet'' (Lowery and De Fleur,1988).

Certain communication and management theories and models such as; the two-step flow theory, the gate keeping theory, the social learning theory, communication theory, open system theory and Taylorism seek to describe how communication takes place in an organization. As communication itself is a process in which participants create and share information with one another in order to reach a mutual understanding, these models asserts that there is selective influence based on social relationships and social categories. The models depict individuals as psychological machines with own perceptions that affect their communication flow and attempt to account for human behaviour.

2.2.1 The Two-Step Flow Theory

The research on how information flows in a society was conducted by Carl Hovland and others in Erie County, Ohio on the 1940 US presidential elections (Lowery and De Fleur, 1988). Named the Decatur study after the city in which it was conducted, the study sought to evaluate the level and impact of interpersonal communication in the diffusion of campaign messages.

On the basis of that research, it was found that media, particularly radio had a powerful reach, interpersonal communication plays an important role in facilitating diffusion of campaign messages among members of social groups. Information first reaches the primary group or opinion leaders who subsequently pass it on to other less innovative members of the community. The latter groups are influenced by the former and in the process create social realities especially in the areas of marketing, fashions and movie selection (Lowery and De Fleur, 1988).

This deviated fro m early communication studies that depicted media as having an all-powerful influence on audiences as the study found out that media effects are selective depending on the selective perception of audiences. Mediated messages are received and interpreted differently by members of a community depending on their socio-economic status, education level, gender age and even race.

Harold Lasswell, conducting persuasion research at Yale in 1953 found out that different people are persuaded differently and that interpersonal relations play a pivotal role in creating media realities. Organizations have several cadres of people who are likely to be influenced by information that is passed to them from one person to another.

Another study that was instrumental in evaluating the diffusion of information in society was the Project Revere that sought to find out how effective leaflets were in a campaign. In 1945, leaflets had been effectively used to convince the Japanese that military resistance was futile. The idea of using leaflets was mooted as a way of reaching diverse and disparate communities who could not be reached through conventional media. The limited success that leaflets achieved attests to the fact that printed media may not be relied upon as the only medium to reach wide audiences

given its vulnerability to distortion and the logical nature of application. (Lower De Fleur, 1988).

2.2.2 The Gate Keeping Theory

The gate keeping theory of mass communication deals with three variables; it attempts to understand the interface between information, communication channels and the receivers. It can be traced to scholars such as Schramm Shaw among others and its basic argument is that each time communication passes through various channels, it passes through various gates with certain activities that affects the message. Studies conducted by Schramm Shaw (1969) and Berkmitts (1990) established that the gatekeeper theory underscores the interface between information communication channels and receivers who ultimately act on the information.

Information from any of the sources to different gates elicits a lot of action and is influenced greatly n terms of bias, value and credibility. When information flows through a system, a lot of things happen to it due to dynamics of the channels (gates) it flows through.

2.2.3 The Social Learning Theory

This theory was advanced by Albert Bandura and its basic argument is that although people can learn through directly experiencing the consequences of their own behaviour, most human behaviour is leaned observationally through modelling. That is from observing others, one forms an idea of how new behaviour is formed. Later in other occasions, this coded information that serves as a guide action is learned.

Our expectations form around outcomes of behaviour that can be feelings of joy (Bandura,1986). Social learning theory explains why individuals in an organization shun certain information especially when it is negative. Social learning theory explains why we may generalize bad experiences and come to associate them with the medium rather tan the message. Marshall Mcluhan (1911-80) exemplifies this well in his famous quote "The Medium is the Message." People posses self-reactive capacities mainly through self-reinforcement mechanisms that enable them control emotions, feelings, thoughts and actions. Finally, social learning theory postulates

behaviour as being regulated by the interplay of self-generated and external sources of influence. (Mbindyo,1981).

2.2.4 Communication Theory

Developed by scholars such as David Werner, Robert Asby and Karl Deutch. Communication theory is centred on information flow and structures as units of analysis. Werner and Asby who were both engineers were concerned with clarity of the channel that carries the message from the sender to the receiver. they argue that there exist various distortions along the message channel which they termed as noise, that hinder the information flow.

Karl and other social scientists were concerned with information as a basis of decision-making in organizations. He argued therefore for the need of efficient external and internal communication structures to ensure a free flow of information. When there is a continuous flow of information within the established structures, then decision-making is possible. For this to happen, information has to be adequate, accurate, relevant and appropriate. Rational decisions that are the basis of an efficient organization, translates into productivity and are dependent on constant flow of information. Irrational decisions on the other hand are made when there is little or no information flow within an organization.

Karl advocated for load capacity that determines the efficiency of organizations in decision-making that goes hand in hand with the presence of qualified workforce. Like other theories, communication theory has serious assumptions in that it places so much faith in the use of information as a unit of analysis in rational decision making. The truth of the matter is that there are other factors and considerations used to make decisions in an organization.

The effectiveness of the structures and channels of communication is also assumed where as it is a known factor that what is put in paper is not what is applicable on the ground. However, communication theory essentially as an engineering option has helped communication scholars have an in depth understanding of the dynamics of organizational communication.

2.2.5 Open System Theory

A system is a set of units that has a degree of structure and is differentiated from the environment by a boundary. The system's boundary is defined by communication flows. that of the units in the system in that it continuously exchanges information with its environment. An open system contrasts with a closed system in that it continuously exchanges information with its environment. It imports information from its environment, transforms or processes this 'raw material' and exports the finished products back to the environment.

An open system theory employs feedback mechanism in order to provide certain degree of self-regulation so that deviations from the equilibrium are constantly being corrected. The systems school of organization theorists view an organization as an open system that inputs and outputs to the environment across its boundary thus creating a continuous interdependence between the organization and its immediate environment.

The openness of an organization is determined by the degree to which a system exchanges information with its environment as illustrated in the figure 3 below:

Figure 3: An open System
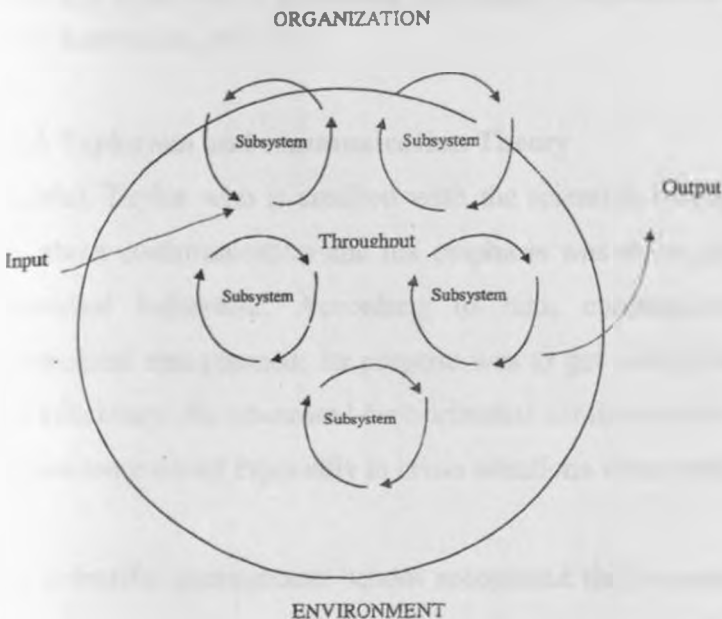
Main elements in an Open System conceptualization of an organization. (Rogers, 1976:52)

An organization is viewed as a system composed of a set of subsystem components that each serves certain functions and that each in interaction with the other subsystems. It inputs information and matter-energy from its environment and after processing these elements outputs them. The units within subsystems in an organization have more frequent communication with other units in their subsystem than those units not in their subsystem. The point is that every organization is a nesting of systems composed of systems within systems. When these subsystems interact, they form an organization with distinct characteristics that defines in.

The systems theory recognizes the need to study interactions of the subsystems in an organization and focuses on communication as the key to analyzing and understanding organizations as social systems. Communication serves as the basic process facilitating the interdependence of the parts of the total system; it is the mechanism of co-ordination.

According to system theorists, communication plays the role of the "harmonizer" of the organization while information is "the glue" that holds organizations together: "

"Organizations draw their nourishment from information. They depend for their life on networks and systems of communication that makes it possible for many people to work in concert. It is this flow of information that binds an organization together into a single coherent unit" (Leavitt etals, 1973 :57)

2.2.6 Taylorism and communication Theory

Fredrick Taylor who is credited with the scientific management theory had little to say about communication and his emphasis was on organizational structure and the individual behaviour. According to him, communication was to be formal, hierarchical and planned; its purpose was to get work done, to increase productivity and efficiency. He advocated for horizontal communication in organizations which he termed more direct especially in crisis situations when rapid action is essential.

The scientific management school recognized that communication problem occurred in organizations al least when certain management 'principles 'were not followed correctly. For example, if the span of control of a manager became too wide because

of very many subordinates, ability to communicate effectively with underlings was likely to suffer. (Gulick and Urwick 1937; Mooney and Reiley, 1939).

The solution to this was the delegation of authority by the manager to lower levels in the hierarchy with an accompanying decrease in the span of control. The theory also distinguished between the communication functions of the '' line'' and ''staff''. Staff officials were usually specialists in certain matters and their communication function was thought to consist of persuading their executive head to accept their advice. Line officials were cogs in the chain of command and so their function was to communicate orders from their boss to their subordinates and to see that such instructions were properly carried out.

According to Rogers (1976), the scientific management school did not accord a very significant role to communication and it conceived communication as limited to command and control through vertical, formal channels. The assumption was that those at the top possessed all the relevant information and were willing to share this information with the others and the function of communication was to disseminate their knowledge. The other assumption was that the psychological and socio-economic dynamics of a human being that individuals would always accept and absorb whatever information is passed to them without any distortion.

From the communication theories discussed above, open system theory provides the best perspective of defining communication in an organization. Open system communication provides avenues for feedback mechanism that enable individuals in an organization make and execute rational decisions. The NHIF like any other organization rely on communication from various quarters to make decisions touching on their day-to-day functions. For the various publics comprising NHIF to coordinate their activities, smooth flow of information among them is necessary. Channels used to disseminate information need to address the diversity of the recipients in NHIF and the message they wish to deliver.

This calls for effective and appropriate structures and channels to support the efficient and effective information flow within the organization. The need to determine the state of affairs in regard to effective organizational communication in NHIF is of paramount importance.

2.3 Summary of the literature review

In relation to the literature review, it has been revealed that there is need to fill the gap experienced in communication by investigating whether NHIF as an organization is able to overcome the above stated barriers to communication; state whether it is able to initiate and maintain the flow of good communication among the employees and finally to establish if the communication systems at NHIF are able to allow the employees to perform their duties effectively without any limitations from the management or the communication system.

2.4 Conceptual Framework.

Most experts on organization, management and leadership assert that effective communication is the foundation for effectiveness in any type of organization. Lack of effective communication can result to a variety of ailments such as low employee morale, high absenteeism and rate of turnover, low productivity, and resistance to change and perhaps most frequently, labour conflicts. This leads to poor organizational performance. Where recognizable, the communication 'gap' is seen to be bridgeable leading to effective communication.

Although recognizing the importance of communication at all levels in the organization, the emphasis here will be on direct communication between the management and the individual employees and how their interaction can improve the organizational communication leading to improved performance.

The figure 4 below presents the conceptual framework showing the relationship between communication process in NHIF and organizational performance.

Figure 4 Conceptual framework

```
              ┌─────────────────────────────┐
              │   Communication process     │
              └──────────────┬──────────────┘
                             ▼
              ┌─────────────────────────────┐
              │        Management           │
              └──────────────┬──────────────┘
                             ▼
              ┌─────────────────────────────┐
              │  Channels of communication  │
              └──────────────┬──────────────┘
                             ▼
```

Ineffective communication	Effective communication
-low morale	-increased productivity
-absenteeism,	-improved morale
-low productivity	-improved loyalty

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              ┌─────────────────────────────┐
              │   Effect on organizational  │
              │        performance          │
              └─────────────────────────────┘
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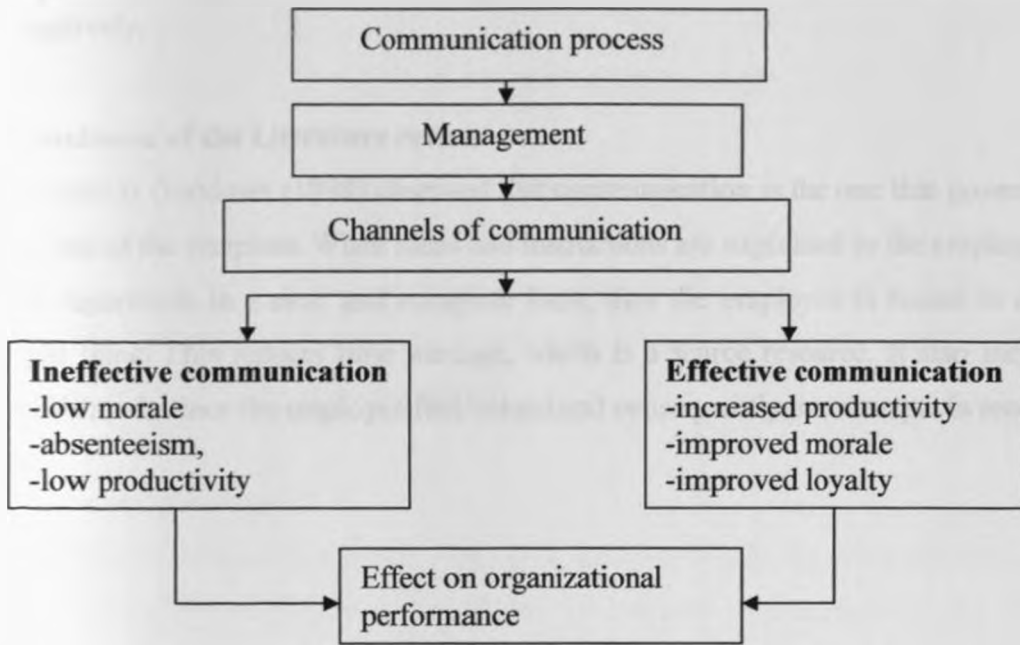
According to the above variables, the management is normally in charge of communication in any organization. The management uses different channels to get to the employees and the way in which the message is passed leads to either better or poor performance among the employees. The different methods of communication used will depend largely on the different channels of communication and the urgency of the message. For instance, the use of memoranda and notice boards in the organization for urgent message is inappropriate.

The way in which the employees receive the necessary information normally has an influence on their performance. The used of appropriate channels and methods of communication is likely to lead to effective communication. Effective communication leads to employee satisfaction which in turn may lead to increased productivity, improved morale, loyalty, better customer relations and better employee relations.

On the other hand, use of inappropriate channels and methods of communication is likely to lead to ineffective communication. This can result to a variety of ailments such as low employee morale, high absenteeism and turnover rates, low productivity, resistance to change and labour conflicts. Therefore, communication process in an

organization can influence the organizational performance either positively or negatively.

Conclusion of the Literature review

Michael B Goodman (1998) observed that communication is the one that governs the actions of the recipient. When ideas and instructions are explained to the employee by the supervisor, in a clear and complete form, then the employee is bound to do the right thing. This reduces time wastage, which is a scarce resource. It also increases staff morale since the employee feel valued and consequently more output is received.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter will describe the research method to be adopted in carrying out the research study it is divided into the following sub-topics: Research design, target population; sample and sampling procedures; research instruments; data collection procedure and data analysis techniques.

3.1 Research Design

A research design refers to a plan, blue print or guide for data collection and interpretation, a set of rules that enable the investigator to conceptualise and observe the problem under study, Adams and Scheveneldt (1985). In this study, descriptive survey design will be employed. Fraenkel and Wallen (1993) describe a descriptive study as a collection and analysis of data that allows one to describe the current status of the subjects in the study. It enables one to describe the characteristics of a population, understand the given characteristics of that population and also offers ideas for further research. It is sometimes helpful in making some decisions.

Descriptive survey study also determines and reports the way things are and commonly involves assessing attitudes and opinions, Gay (1981). Survey design is selected because this study aims at exploring and explaining the existing status of communication process and its effects on organizational performance in NHIF.

3.2 Target Population

Target population is a group or category of human being, animals and objects which have one or more characteristics in common and have been selected as a focus of the study, Mulusa (1988). This study will be carried out in Nairobi and it will target sixty (60) employees of N.H.I.F specifically from the N.H.I.F headquarter. The sixty employees consist of twelve (12) managers and forty eight (48) subordinate staff who are not in management.

3.3 Sample Size and Sampling Technique

Peter N. (2004) defines a sample as a representative, part of a population. Thus, by studying the sample, one can know the population without having to study the entire population. The selection process of the sample is the sampling procedure or sampling technique. The researcher will not be able to cover all the sixty (60) employees within the given time and with the available funds. A total of forty (40) employees representing sixty six per cent (66%) of the total population will be sampled for this study. This is in line with Gay (1976) who indicated that for a large population, a sample of ten per cent (10%) will be adequate and for small population, a sample of twenty per cent (20%) will be sufficient.

The study proposes to use a total of forty (40) respondents consisting of one (1) top executive manager, seven (7) managers heading different departments and thirty two (32) subordinate staff. The sample respondents will be selected using stratified sampling in combination with simple random sampling. The managers will be stratified according to departments and to select the managers of the different departments, purposive sampling will be used so as to include the top executive manager and a department head in each section of the organization. To select the employees, simple random sampling technique will be used to select four employees from each department.

According to Wallen (1974), random sampling technique ensures that each element within the accessible population has equal chances of being selected. Thus it gives each respondent an equal chance of participating in the study therefore ensuring that the sample is representative.

3.4 Research Instruments

The main research instrument for this study will be a self-administered questionnaire. This is because less time is required to respond. It is also less expensive and it is one of the best tools that are free from the interviewer bias. Respondents have more time to give well thought out responses, Kothari (1994). Two questionnaires will be developed, one for the managers and the other for the employees. The questionnaire will have two parts. Part A will elicit information on personal and institutional data and part B will focus on communication.

3.4.1 Validity of the Instruments

Kothari (2004) states that validity indicates the degree to which an instrument measures what it is supposed to measure, that is, the extent to which differences found with a measuring instrument reflects true differences among those being tested. To enhance the validity of the questionnaire, a pilot study will be conducted on ten (10) respondents consisting of one (1) top executive manager and two (2) heads of departments and seven (7) subordinate staff randomly selected from the target population at the NHIF headquarters. This is geared towards assessing the clarity of the instrument items so that those that fail to measure the variables they are intended to measure, can be modified or discarded completely.

3.4.2 Reliability of the Instruments

A measuring instrument is reliable if it provides consistent results (Mugenda, 2004). Reliable instruments are consistent and stable hence can be depended upon to yield similar results under similar circumstances (Borg and Gall, 1989). The researcher will use split-half correlation method. The test items will be split into two subsets; one with even numbered items and the other with odd numbered items.

Spearman- Brown prophecy will be used to establish full reliability of the instruments.

Spearman-Brown prophecy formula is given by:

$Re = 2r /1-r$

Where: Re- Reliability co-efficient

r - Correlation co-efficient between halves

Source: Best and Kahn, Research in Education, 1998:378

3.5 Data Collection Procedure

Data collection started with a pilot administration of the printed questionnaires to a group of respondents who were not included in the main study. Questionnaires were distributed and administered personally to individual respondents in order to create rapport. The pilot study enabled the researcher to familiarize with the administration of questionnaires and collection of data in preparation for the main study.

After one week the researcher re-visit the N.H.I.F headquarters to self- administer the questionnaires. Printed questionnaires were hand delivered to the respondents.

instructions were given to them before filling the questionnaires and then requested to fill immediately. This ensured a high degree of accuracy and return rate and reduced instances of group influence. Those who were not in a position to fill in the questionnaires immediately were requested to do so at their own convenience and the filled in questionnaires were collected later.

3.6 Data Analysis Techniques

Analysis of data started with editing and inspecting of data pieces in order to identify spelling mistakes and any wrongly answered or unresponded items. The data gathered has been analyzed using descriptive and inferential statistics. Specifically, the frequencies, percentages and means were utilized to explore the variables under study. Qualitative data arising out of perceptions, opinions and suggestion is expressed in percentages as per the categories of respondents against their variables and analyzed using Statistical Package for Social Sciences (SPSS).

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.0 Introduction

This chapter is devoted to the presentation of the research findings of the study and their interpretation. The findings from each of the research objectives were summarized in tabular form, and then the summary results were analyzed using frequencies and percentages. In presenting the findings, this chapter is organized into the following sections: demographic information, the existing channels of communication; how communication is carried out in NHIF; communication needs of the employees at NHIF; challenges faced by the employees during communication and what can be done to improve employee and management communication. The data analysis was guided by the research questions.

4.1 Questionnaires Return Rate

The research targeted a total of 40 respondents which comprised of 8 managers and 32 subordinate staff. The response rate achieved was 100 percent and it was considered adequate in providing a relatively valid and reliable representation of the target population.

4.2 Demographic information of the Respondents

Demographic information of the respondents was found important because they play an important role in the day-to-day running of the organization.

4.2.1 Gender of the Respondents

The study sought to find out the composition of respondents in terms of age and gender. The frequency counts of the responses were done and their percentages calculated. Table 1 presents data on the gender of the respondents.

Table 1: Gender of the respondents

Gender	Manager		Subordinate	
	Frequency	Percentage	Frequency	Percentage
Male	6	75	15	46.9
Female	2	25	17	53.1
Total	8	100	32	100

Table 1 shows that out of the 8 respondent managers, there were 6(75%) male managers and 2(25%) female managers. This indicates that there is lack of gender equality in the distribution of the managerial posts in NHIF headquarter in Nairobi. The table also indicates that out of the 32 respondent subordinates, 15(46.9%) were male and 17(53.1%) were female. This also indicated that there is gender inequality.

4.2.2 Age of the Respondents

The study also sought to find the age of the respondents. The frequencies were computed and percentages calculated. The results are presented in Table 2.

Table 2: Age of the Respondents

Age	Managers		Subordinate	
	Frequency	Percentage	Frequency	Percentage
20-28	-	-	7	21.9
28-35	6	75	10	31.2
36-43	2	25	11	34.4
44-51	-	-	4	12.5
Total	8	100	32	100

From Table 2, it can be observed that among the managers the youngest was 28 years while the oldest was aged 43 years of age. 6(75%) of the managers were aged between 28 and 35 years of age, while 2 (25%) of them aged between 36 and 43 years of age. Among the subordinates, the youngest was aged 20years and the oldest was aged 51 years of age; 7(21.9%) of them were aged between 20 and 28 years; 10(31.2%) were aged between 28 and 35years; 11(34.4%) were aged between 36 and 43 years while another 4(12.5%) were aged between 44 and 51 years of age.

The data indicated that most of the managers and subordinates are middle-aged with a lot of energy if well and fully utilized in the organization and with effective communication. they can contribute to improved organizational performance and achievement of organizational goals and objectives.

4.2.3 Job Level of the Respondents

The researcher also sought to find out the job levels of the managers and other subordinates. The data was obtained from the respondents, the tabulated using frequencies and percentages as shown in Table 3.

Table 3: Job Level of the Respondents

Job Level	Managers		Subordinate	
	Frequency	Percentage	Frequency	Percentage
Management	5	62.5	10	31.2
Supervisory	3	37.5	8	25.0
Subordinate	-	-	14	43.8
Total	**8**	**100**	**32**	**100**

Table 3 shows that 5 (62.5%) of the managers were in charge of the management level and 3(37.5%) were in the supervisory levels. From the subordinates responses, 10(31.3%) were in the management level, 8(25%) in the supervisory level and 14(43.8%) were in the subordinate level. This shows that majority of the NHIF employees are either in the management or supervisory level.

4.2.4 Terms of Employment

The researcher also sought out the information on terms of employment. Table 4 presents the data gathered on terms of employment.

Table 4: Terms of Employment

Employment terms	Managers		Subordinate	
	Frequency	Percentage	Frequency	Percentage
Permanent	8	100	31	96.9
Probation	-	-	1	3.1
Total	8	100	32	100

Table 4 shows that all the managers 8(100%), who participated in the study were employed on permanent terms. 31(96.9%) of the subordinates were also on permanent terms and only 1(3.1%) was on probation awaiting confirmation.

4.2.5 Work experience of the Respondents

Data on the work experience of the respondents was gathered, frequencies were computed and percentages calculated. The results were presented in Table 5.

Table 5: Work experience of the Respondents

Work Experience	Manager		Subordinate	
	Frequency	Percentage	Frequency	Percentage
1-5 Years	1	12.5	5	15.6
6-10 Years	4	50.0	18	56.2
>11 Years	3	37.5	9	28.2
Total	8	100	32	100

The analysis in Table 5 shows that 7 (87.5 %) of the managers and 27(84.4%) of the subordinates. This shows that a considerable number of staff of NHIF has worked with the organization for more than five years. Only 1(12.5%) of the managers and 5(15.6%) of the subordinates have worked for less than five years.

4.2.6 Educational Background

The researcher also sought out information on Educational Background of the NHIF Employees. The information gathered was computed using frequencies and percentages as shown in Table 6.

Table 6: Educational Background

Education level	Manager		Subordinate	
	Frequency	Percentage	Frequency	Percentage
Primary	-	-	-	-
Secondary	-	-	2	6.2
College	1	12.5	15	46.9
University	6	75.0	6	18.8
Post graduate	1	12.5	9	28.1
Total	8	100	32	100

Table 6 shows that majority of the respondents had acquired college level education and above. The graduates and postgraduates accounted for 7 (87.5%) of the managers and 15(46.9%) of the subordinates. It was however found that there was no respondent with primary education.

4.3 Data Analysis

Data analysis was done by the researcher answering the following research questions:

Research Question 1: How is Communication carried out in NHIF?

4.3.1 Communication Channels used at NHIF

The managers and subordinates were asked to mention the main channels of communication used in NHIF. The frequencies were computed and percentages calculated. The results are presented in Table 7.

Table 7: Communication channels used in NHIF

Communication channels	Managers		Subordinate	
	Frequency	Percentage	Frequency	Percentage
Letters and memoranda	5	62.5	27	84.4
Telephone/ e-mail	2	25.0	2	6.3
Posters and notice board	1	12.5	1	3.1
Face to face oral communication	-	-	1	3.1
Meetings	-	-	1	3.1
Total	8	100	32	100

Data obtained in table 7 indicates that letters and memoranda are the used channels of communication at NHIF. This was so because 5 (62.5%) of the managers reported that they used letters and memoranda most of the time which was supported by 27 (84.4%) of the subordinates who also indicated that the management used letters and memoranda to communicate with them most of the time. The other mentioned channels of communication at NHIF were the telephone/e-mail, face-to-face oral communication, meetings posters and notice boards.

4.3.2 Communication Policy at NHIF.

The researcher was also interested in the communication policy of NHIF. The researcher collected data on the communication policy at NHIF and analysed in inform of frequencies and percentages as shown in Table 9.

Table 8: Awareness of Communication Policy.

Awareness of communication policy	Managers		Subordinate	
	Frequency	Percentage	Frequency	Percentage
Yes	8	100	13	40.6
No	-	-	19	59.4
Total	8	100	32	100.0

Table 8 shows that all the managers 8(100%) reported that there was an existing communication policy at NHIF.O n the contrary, 13(40.6%) of the subordinates did

indicate that there was a communication policy at NHIF, while another 19(59.4%) stated that they were not aware of any existing communication policy at NHIF. This provides a clear indication that half of the subordinates were not aware of their communication policy.

4.3.3 Communication Policy and Objectives of NHIF

Managers were further questioned on whether communication policy did fit the NHIF objectives. The data gathered analysed in frequencies and percentages as shown in tables 9. below.

Table 9: Communication Policy and Objectives of NHIF.

Communication Policy and Objectives of NHIF	Managers	
	Frequency	Percentage
Yes	6	75.0
No	2	25.0
Total	**8**	**100**

It was reported by 6(75%) of the managers that the NHIF communication policy fitted into their objectives while only 2(19.9%) of the mangers reported that the NHIF communication policy did not fit into the NHIF objectives.

4.3.4 Managers responses on whether they were satisfied with the Organization's Communication System.

Managers were asked whether they were satisfied with the organization's communication system and their responses were recorded in Table 10.

Table 10: Managers' Responses on organization's Communication System

Managers' Responses	Frequency	Percentage
Yes	3	37.5
No	5	62.5
Total	**8**	**100.0**

When asked if they were satisfied with the organization's communication system. 3(37.5%) of them reported that they were satisfied with the organization's communication system while 5(62.5%) indicated that they were not satisfied with the organization's communication system.

A question was also asked as to whether the employees received clear, accurate and prompt information on what the organization expects from them. The data collected was analysed in form of frequencies and percentages as shown in Table 11.

Table 11: Responses on whether employees received clear, accurate and prompt information on what the organization expects from them.

Responses	Manager		Subordinates	
	Frequency	Percentage	Frequency	Percentage
Strongly Agree	-	-	1	3.1
Agree	6	75	18	56.3
Disagree	2	25	12	37.5
Strongly Disagree	-	-	1	3.1
Total	**8**	**100**	**32**	**100.0**

From Table 11, 6(75%) of the managers agreed with the statement that the organization ensures that the employees receive clear, accurate and prompt information on what the organization expects from them. The other 2(25%) of the managers disagreed with the statement. From the subordinates' responses, 1(3.1%) strongly agreed that the organization ensures that the employees receive clear accurate and prompt information on what the organization expects from them; 18(56.3%) agreed with the statement, 12(37.5%) disagreed and only 1(3.1%) of the subordinates strongly disagreed with the statement that the organization ensures that the employees receive clear accurate and prompt information on what the organization expects from them.

The employees were asked whether they are kept informed on matters that affected their work and the working conditions. Their responses were analysed inform of frequencies and percentages as shown in Table 12.

Table 12: Responses on whether employees are kept informed on the matters that affects their work and the working conditions.

Responses	Managers		Subordinates	
	Frequency	Percentage	Frequency	Percentage
Strongly Agree	-	-	2	6.2
Agree	6	75	12	37.5
Disagree	2	25	18	56.3
Total	8	100	32	100.0

From table 12, when asked if employees are kept informed on matters that affects their work and the working conditions, 2(25%) of the managers indicated that employees are not kept informed on matters that affect their work and working conditions; 6(75%) of the managers and 12(37.5%) of the subordinates agreed that employees are kept informed on matters that affect their work and the working conditions. None of the managers disagreed with the statement, but 18(56.3%) of the subordinates disagreed with the statement that employees are kept informed on matters that affect their work and the working conditions.

The researcher also raised a question on whether the employees were given an opportunity to voice their suggestion and fear. The responses are analysed in Table 13 below.

Table 13: Responses on whether the employees were given an opportunity to voice their suggestions and fears.

Responses	Manager		Subordinate	
	Frequency	Percentage	Frequency	Percentage
Strongly Agree	-	-	1	3.1
Agree	6	75	10	31.3
Disagree	2	25	18	56.3
Strongly Disagree	-	-	1	3.1
Undecided	-	-	2	6.2
Total	8	100	32	100.0

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From table 13, 6(75%) of the managers and 10(31.3%) of the subordinates agreed that the employees were given an opportunity to voice their suggestions and fears. On the

other hand, most of the workers 19(59.4%) indicated that employees were not given an opportunity to voice their suggestions and fears.

The other information which the researcher gathered was on whether the organization implemented the opinions and the views of the employees, the data gathered is shown in Table 14.

Table 14: Responses on whether the organization implements the opinion and the views of the employees at NHIF.

Responses	Manager		Subordinates	
	Frequency	Percentage	Frequency	Percentage
Strongly Agree	-	-	1	3.1
Agree	4	50	8	25.0
Disagree	4	50	1	3.1
Strongly Disagree	-	-	20	62.5
Undecided	-	-	2	6.3
Total	8	100	32	100.0

Majority of the responses indicated that NHIF does not implement the views and opinions of the employees. This was supported by 4 (50%) of the managers and 22(68.8%) of the subordinates who reported that the organization does not implement the views of the employees. However, 4(50%) of the managers and 9(28.1%) of the subordinates reported that the organization does implement the opinion and the views of the employees. Only 1(3.1%) of the subordinates was undecided on whether the organization implements the opinion and the views of the workers at NHIF.

Responses on whether the organization provides prompt feedback to the employees were analysed as shown in Table 15.

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Table 15: Responses on whether the organization provides prompt feedback to the employees.

Responses	Managers		Subordinates	
	Frequency	Percentage	Frequency	Percentage
Strongly Agree	-	-	1	3.1
Agree	3	37.5	6	18.3
Disagree	5	62.5	2	6.3
Strongly Disagree	-	-	21	65.6
Undecided	-	-	2	6.3
Total	8	100	32	100.0

From table 15, we can observe that 3(37.5%) of the managers and 7 subordinates reported that the organization provide prompt feedback to the employees. It was also noted that a majority of the managers 5(62.5%), and 22(71.9%) of the subordinates indicated that the organization does not provide prompt feedback to the employees. 2(6.3%) of the subordinates were undecided on whether the organization gives prompt feedback to the employees.

Table 16: Comments about the Communication systems at NHIF

Response	Manager		Subordinate	
	Frequency	Percentage	Frequency	Percentage
Very Good	1	12.5	4	12.5
Good	6	75.0	22	68.8
Unfair	1	12.5	1	3.1
Undecided	-	-	5	15.6
Total	8	100.0	32	100.0

Table 16 shows that when the respondents were asked to give comments about the communication systems at NHIF, 1 (12.5%) manager reported that it was unfair, 6(75%) reported that it was good while 1(12.5%) was undecided on whether the system was unfair or good to them. On the other hand, 4(12.5%) subordinate workers reported that the system was unfair to them. 22 (68.8%) reported that the system was

good; 1 (3.1%) reported that the system was very good while 5 (15.6%) were undecided about the communication system.

Table 17: Responses on Communication and Goals of NHIF

Response	Manager	
	Frequency	Percentage
Yes	4	50
No	4	50
Total	**8**	**100**

From the table 17, we can observe that half the managers reported that the communication systems at NHIF were able to meet the goals of the organization. The other half on the contrary indicated that the communication systems do not meet the goals of the organization. The managers also indicated that they felt that the organization would have been better with a different communication system.

Finally the researcher was interested in getting responses on how good communication can enhance the performance of employees at NHIF. From the managers responses; 2(25%) felt that good communication could improve the profitability of NHIF growth; 4(50%) reported that good communication at NHIF could lead to fewer customers complains and increase modernization while 2(25%) reported that among other factors, good communication could lead to a change in the organizational image will changed, improved staff discipline, change in the organization culture will changed, the staff will highly motivate and it was also reported that good communication could lead to improved readiness and improved teamwork among employees of NHIF.

Table 18: Responses on how good communication can enhance the performance of the Employees

Response	Managers	
	Frequency	Percentage
Probability of NHIF will grow	2	25
Fewer customer complains	4	50
Others	2	25
Total	**8**	**100**

Research Question 2: What are the Communication needs of employees at NHIF?

4.3.5 Communication needs of employees at NHIF.

A question was also put across to investigate on the communication needs of the employees at NHIF. According to the responses, all the respondents reported that there was need for the organization to ensure that the employees were able to access information on the computers especially via the e-mail services. The responses also indicated that there was need for the organization to improve their notice board services and telephone services so that the workers can be able to communicate on what is happening and what the organization expects of them.

The employees also indicated that there was need for follow up programmes to be put in place so as to ensure that the proper channels are followed. The above responses were supported by the responses of the managers who on the other hand indicated that there was a need for the introduction of the e-mail, telephone, and fax facilities as means of communication at NHIF.

The management also reported that there was need for timely and accurate feedback which would in turn lead to a smooth supply of information to the employees. Finally in relation to the communication needs the management also reported that there was need to implement the voiced concerns by the employees.

4.3.6 How feedback conveyed to the workers at NHIF

The results obtained from the workers and the managers clearly indicated that at NHIF, feedback was conveyed to the employees through the use of letters and memoranda that were displayed on the notice boards. Telephone/e-mail conversations were second leading mode of conveying feedback from the manager's responses. However, according to 24 subordinates, most of the feedback that the employees obtained was obtained through the vibrant grape vine system among others.

Research Question 3: What are the challenges faced by the employees of NHIF?
4.3.7: Barriers to effective Communication at NHIF.

Data obtained from the managers and the subordinates' responses clearly indicated that the bureaucracy of NHIF was the main barrier to effective communication in the organization. According to 5 of the managers the organization suffered from lack of coordination between the top management and the other staff which in turn implies that there is normally a delay in communication between the staff and the management.

The managers also reported that the staff could not raise their fears freely without the fear of loosing their jobs. It was also reported that some machines which can facilitate effective communication are too expensive for the organization to purchase and therefore some of the communication problems were bound to continue existing.

From the workers responses bureaucracy was also named as the leading barrier to effective communication at NHIF. Half the workers indicated that there were no regular meeting especially on the junior staff to update them on what was happening in the organization another 28 subordinates reported that there was lack of interest and coordination between the different departments and that there was no proper integration of ideas in the different departments. It was clearly indicated that there were no proper communication skills in the organization and that in most cases workers learnt about certain information through the grave vine system.

The responses also showed that there was laxity, incompetence and there were acts of sabotage on the management part. It was also indicated that the only means of communication was the one way communication system and that much of the information was written form. The letters and memos were delayed in most cases

because there were no sufficient notice boards. The result also revealed that feedback was rare at NHIF and in most cases the junior staffs were not given any feedback on the issues that were affecting them.

4.3.8: What can be done to improve the effectiveness of communication systems at NHIF?

Different responses were given by the management and the employees on what can be done to improve the effectiveness of the communication systems at NHIF. According to the managers there is need for the organization to hold on regular meeting so as to solve problems facing the employees. The employees also need to be allowed to communicate freely with their bosses without fear of loosing their jobs.

The managers also indicated that there was need to allow feedback to the employees so as to be able to implement the different issues relating to NHIF it was advocated that there was need for certain central points of inquiry to be established where workers can be able to raise their issues and complains freely without the interference of the management. The mangers also indicated that the organization needed to purchase computers so as to encourage the use of the e-mail services among other employees

From the employees' point of view there was need for NHIF to introduce both the horizontal and upward communication if there was to be effective communication among the employees of the organization. The subordinates reported that there was need for proper channels for communication and that the management needed to hold regular meetings especially for the junior staff to address the different issues affecting them and to have a systematic feed back through the use of memos and e-mail services. 20 subordinates indicated that there was need for NHIF to coordinate and to monitor the written communication for clarity among the workers. Finally the employees advocated for the improvement of the working conditions at NHIF so that they can be able to raise their complains freely without fear of loosing their jobs.

CHAPTER FIVE

SUMMARY, CONCLUSIONS, RECOMMENDATIONS AND SUGGESTIONS.

5.0 Introduction

In this chapter conclusion about the data obtained and analyzed are male. Specifically frequency tables and descriptive statistics were used to analyze data. The findings presented in two sections. In the first section the summary of the findings are discussed the second section comprises the conclusion of the findings and recommendations

5.1 Summary of the findings

After data analysis, it was found out that communication is a very important tool in any organization, including NHIF. Whenever an organization is concerned with customer service, communication has to play a major role towards the effectiveness of the service offered.

The results of the study indicated that the general condition of communication at NHIF is wanting. This was found out through the various factors that affect communication that the researcher tackled in this research. These included:

To determine, if lack of effective Communication is a challenge to Organizational performance.

The study gathered that lack of proper communication is a challenge to organizational performance. This is mainly seen in the issue of effective customer service. If information is not transmitted by one person to the other exhaustively, the customer is not likely to get quality service which is the gauge that measures employee efficiency and overall organizational performance.

To establish if tools used for communication are a challenge to effective communication and employees' performance at NHIF.

The analysis of the data collected from the employees showed that the most commonly used tool of communication is memo, letters and telephone/e-mails when dealing with the customers. Information has to flow continuously and in a speedy

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manner. This can not be achieved by a memo or a letter which is likely take abit of time to write, be signed and be detailed in order to seal all the loopholes that might bring about failure. As much as the telephone/e-mails will transit information in time, it might not be possible to provide all the details especially if the transaction is complicated.

To find out the Communication channels used at NHIF

Data obtained from the study indicates that letters and memos are the most used channels of communication at NIHF. This was so because 6 of the managers did report that they use letters and memos most of the time which was supported by another 27 workers who also indicated that the management used letters and memos to communicate with them most of the time. The other mentioned means of communication at NHIF were the use of telephone, face to face oral communication, conferences, committees, meetings, posters and notice boards. This implies that letters and memos are the most used channels of communication at NHIF.

5.2 Answers to Research Questions

At the beginning of this study, the researcher had research questions whose answers were to be found from the research work.

5.2.1 Research Question 1: How is communication carried out at NHIF?

According to the research finding, communication at NHIF was mostly carried out through letters, memos and telephone/e-mail. They accounted for over 70%. Face-to-face came second while letters and meetings were not commonly used. Face to face being the most effective channel of communication was least used; this is likely to affect the efficiency and performance of staff. The memos, letters and telephone/ e-mail do not give the communicator a chance to see the non-verbal communications such as gestures and facial expressions.

The employees are not also aware of an existing communication policy at NHIF.19 subordinates clearly stated that they were not aware of any existing communication policy at NHIF , this gives a clear indication that half of the employees were not aware of their communication policy. 6 of the managers, representing over half of the manager respondents reported that the NHIF policy did fit into NHIF objectives.

The researcher also found out that the majority of the employees were not satisfied with the communication systems existing in the organization and were not provided with the clear, accurate and prompt information on what the organization expected of them. All these limitations are likely to affect organizational performance negatively.

Interesting results were obtained when a question was across to check on the statues of the employees 6 of the managers reported that employees are given an opportunity which was supported by 12 workers who also reported that voice their suggestions and ferias. On the other side most of the workers 19 did indicate that employees were given an opportunity to voice their suggestion and fears.

Majority of the responses indicated that employees were given an opportunity to voice suggestions and fears and the organization does not implement the views and opinion of employees. This was supported by 4 managers and 22 subordinates. This may lead to development of a negative attitude between the management and the lower level employees. Thus the response to any information either coming from the staff or management will definitely be influenced by the attitude. In this case there is likelihood that effective communication will not take place.

5.2.2 Research Question 2: What are the communication needs of the NHIF employees?

The research carried out shows that all the respondents felt that there was need for the organization to ensure that employees have access to information on the computers especially via the e-mail services, organization should improve their notice boards and telephone services to enable the employee to communicate what is happening and the organization to communicate what it expects of them. The respondents also indicated that there was need for follow up programmes and timely and accurate feedback for smooth flow of information.

5.3.3 Research Question 3: What are the challenges faced by the employees of NHIF?

The study results revealed that there was lack of coordination between the top management and other staff. This normally causes a delay in communication between

the management and the staff. Managers also reported that the other staffs are unable to raise their fears and opinion freely in fear of losing their job. Managers also reported that some machines such up to date computer which can facilitate effective communication are expensive for the organization for all the employees.

5.3.4 What can be done to improve the employees and management communication?

The findings of the study pointed out that there is need for holding regular meeting to solve the different problems facing the workers and to facilitate face to face communication among the staff themselves and between the staff and the management. There is also need for freely communication between the staff and the management so that the staff can express their opinion, fears and views freely without fear of losing their jobs.

Vertical and horizontal communication need to be introduced to facilitate effective communication among the members of the organization. Two-way communication as opposed to one way communication, mainly from the management should also be encouraged. This will create good relations between the management and the staff, as well as among the employees themselves. This will facilitate effective communication which in turn is likely to enhance organizational performance.

The organization also needs to develop he right attitude to work such as reliability and unity among the employees of NHIF; create interest and coordination between the different departments and ensure that there is proper integration of ideas in the different departments and ensure that there is no laxity, incompetence and acts of sabotage on the management.

5.3 Conclusion

The following conclusions were made after careful analysis of data and interpretation of the findings:

It is apparent that the communication situation in NHIF is not up to standard. The management have a list of suggestions as to how their junior staff should reform so as to facilitate effective communication. On the other hand, the junior staffs blame the

management for their woes as far as communication is concerned. They feel that the communication channels used, communication policy, communication systems, styles of management and nature of feedback have all contributed to lack of effective communication and poor organizational performance.

The findings also revealed that effective Communication could improve the profitability at NHIF, fewer customers complains and increased modernization, change in the organizational image, improved staff discipline, change in the organization culture; the staff will be highly motivated and it was also reported that effective communication could lead to improved readiness and teamwork among the employees of NHIF.

5.4 Recommendations

To improve its communication program in this changing and turbulent business times the researcher recommended the following to the NHIF community if effective communication is going to be achieved:

- Amend its communication policy on a continuous basis;
- Apply training and carry out impact assessment to ensure communication takes place;
- Reward and motivate workers to undertake training in communication skills;
- Ensure follow up programmes are in place.
- Carry out frequent communication needs analysis
- Encourage team work so that the employees can work towards improving their relationship with each other and with the management. Once relations are improved, it will be possible to work as a team and improve organizational performance.

5.5 Suggestions for further Research

Human resources development recognizes the value of human expertise and the responsibility of using that expertise .It assumes that the unleashing of human expertise is ultimately for the purpose of improving performance at individual, group and organizational levels. Therefore, taking into account the limitations, findings and conclusions of this study, the following areas for further study are recommended:

1 The study was limited to NHIF headquarter in Nairobi. A similar research can be carried out in other branches to elicit more accurate national outlook of the effective communication and organizational performance.

2 A study can also be done to check whether improved communication at NHIF form a basis for career development.

3 Since this study was based on internal point of view of effective communication. there is room for more research in broader terms that will include external communities such as customers, suppliers and other general public.

4 A comparative study could also be undertaken to establish the extent to which effective communication affects organizational performance in other organizations and institutions.

5 A study can also be carried out to investigate whether the management style and employee attitude affects effective communication at NHIF.

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APPENDIX A

QUESTIONNAIRE FOR THE EMPLOYEES

Thank you for accepting to fill the questionnaire. Answer the following questions as honestly as possible. The information you give will be treated with utmost confidentiality.

Instruction(s): Please indicate your chosen option with a tick (✓). Where no choices are provided, write your responses in the spaces provided.

PART A

1. Indicate your gender in the spaces provided

   Male   (   )   Female   (   )

2. Indicate your age bracket

   20-28 Years   (   )   28-35 Years   (   )   36-43Years (   )

   44-51 Years   (   )   Above 51 years (   )

3. What is your job level?

   Management   (   )   Supervisory   (   ) Subordinate   (   )

Any other specify --

4. State your terms of employment.

   Permanent   (   ) Contract   (   )   Temporary   (   )

Any other specify--

5 How long have you been working in NHIF?

   1-5 Years   (   )   6-10 years (   )   11-15 years (   )

   16-20 years (   )   over 20 years

6. Indicate your Education background

   Primary   (   ) Secondary   (   ) College   (   ) University   (   )

   Post graduate (   )

PART B

7. Which are the most commonly used channels of communication in NHIF?

   Memos   (   )   Letters   (   )

   Telephone / e-mails (   )   Face to face oral communication   (   )

   Meetings   (   )

Others, specify --

8. Do you have a policy on communication?

Yes ( )   No   ( )

If yes, please state --

9 i) What is your organization's communication system?

_____

_____

ii) Indicate whether the following statements describe your organization's current communication system as you see and experience it.

a) Employees receive clear, accurate and prompt information on what the organization expects of them.

Strongly agree (   )   Agree (   ) Disagree (   ) Strongly disagree (   ) Undecided (   )

b)   Employees are kept informed on matters that affect their work and the working conditions.

Strongly agree ( ) Agree ( ) Disagree ( ) Strongly disagree (   ) Undecided (   )

c) Employees are given opportunity to voice their suggestions and fears.

Strongly Agree ( ) Agree ( ) Disagree ( ) Strongly disagree ( ) Undecided ( )

d) The organization implements the views and opinions of workers.

Strongly agree ( ) Agree ( ) Disagree ( ) Strongly disagree ( ) Undecided ( )

10. The organization provide prompt feedback to the employees?

Strongly Agree   ( )   Strongly Disagree   ( )

Agree   ( )   Undecided   ( )

Disagree   ( )

11.List down the ways through which feedback is conveyed to the workers at NHIF.

_____

_____

_____

12. List the common communication needs of workers at NHIF.

_____

_____

_____

13. How does communication within NHIF contribute to the anticipated organizational goals?

_____

_____

14. What are the main barriers to effective communication at NHIF?

_____

_____

_____

15. What would you recommend for NHIF to do to overcome these barriers and communication problems?

_____

_____

_____

_____

16. How would you describe communication system of NHIF?

Excellent ( ) Good   ( ) Average   ( ) Poor   (   )   Very poor ( )

17. In your opinion, what do you think should be done to improve communication in NHIF?

_____

_____

_____

Thank you for your cooperation.

APPENDIX B

QUESTIONNAIRE TO BE ANSWERED BY MANAGEMENT LEVEL

Thank you for accepting to fill this questionnaire. The information provided will be treated confidentially. Please answer all the questions in the spaces provided.
Instructions: please indicate your chosen option with a tick (✓). Where no choices are provided, write your responses in the spaces provided.

PART A

1. Indicate your gender in the spaces provided

   Male   ( )   Female   ( )

2. What is your age bracket?

   20-28Years ( )   28-35Years ( )   36-43 Years ( ) 44-51 Years ( ) Over 51 ( )

3. What is your job level?

   Top management   ( )

   Middle management ( )

   Supervisory   ( )

   Any other specify_____

4. What is your Educational background ?

   Secondary   ( )   College   ( )

   University   ( ) Post graduate   ( )

   Masters   ( )

5. Years of service

   1-5 years ( ) 6-10 years ( ) 11-15 years ( ) 16-20 years ( ) over 20 years ( )

6. What are your terms of employment?

   Permanent ( )   Contract ( )   Temporary ( )

   Others, specify_____

7. Kindly state your employee communication policy.

_____

_____

8. How does your employee communication policy fit the objectives of NHIF?

_____

_____

9. i. What kind of communication system does NHIF have?

_____

_____

(ii) Please comment about the communication systems in NHIF.

    Very good   ( )   Good   ( )   Unfair ( )

10. Which are the most commonly used channels of communication in NHIF?

Letters and memos   ( )

Telephone/ E-mails   ( )

Meetings   ( )

Posters and notice board ( )

11. The organization provides prompt feedback to the employees.

Strongly Agree   ( )   Agree   ( )

Disagree   ( )   Strongly Disagree   ( )

Undecided   ( )

12. How does the communication within NHIF contribute to the anticipated organizational goals?

_____

_____

_____

13. List down the common communication needs of the employees at NHIF?

_____

_____

_____

14. What are the main barriers to communication in NHIF?

_____

_____

_____

_____

15. Suggest possible ways of improving communication in NHIF.

_____

_____

_____

_____

16. How will good communication enhance performance in NHIF?

a) Profitability of NHIF will increase

b) Fewer customer complaints

c) Increased modernization

d) Organizational image will change

e) Improve staff discipline

f) Organization culture will change

g) Staff will be highly motivated

h) Improved readiness

i) Improved teamwork

Any other specify._____

_____

Thank you for your cooperation