A STUDY OF THE EFFECT OF INTERNAL COMMUNICATION ON STAFF
PERFORMANCE IN LARGE CORPORATE ORGANIZATIONS.
A CASE STUDY OF THE KENYA COMMERCIAL BANK.

BY

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DECLARATION

This management project report is my original work and has not been presented for a degree in any other university.

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This project report has been submitted for examination with my approval as university supervisor.

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DEDICATION

To my family and friends
ABSTRACT

The main objective of this paper is to investigate the effects of Internal Communication to staff performance in large corporate organizations. The specific objectives will be to investigate whether or not there is a significant relationship between Internal Communication and employee performance; to establish the effects of Internal Communication on employees' output, timeliness, and cost effectiveness, adherence to policy, personal appearance /grooming and appraisal.

This will be a cross-sectional survey. A cross sectional survey is being selected because it enables data to be collected across several respondents at the same time. The population to be used in the study will be Kenya Commercial Bank’s head office staff. Data for the period 2008 through 2010 will be obtained from the Corporate Communications and Public Affairs Division in Kenya.

Basically, there will be two categories of variables for this study. On one hand will be Internal Communication. On the other hand will be employee/staff behaviour along with some control variables. The measures of staff performance will be: output (quantity and quality), timeliness, and cost effectiveness, adherence to policy, personal appearance /grooming and appraisal. Two methods of data analysis will be employed and the results will therefore be divided into two to reflect this categorisation. The first type of analysis will be descriptive analysis, and the second method of analysis will be statistical analysis.

The study aims at finding out that internal communication has a positive significant influence on staff performance, and this same internal communication affects employee relations. A conclusion ought be made that internal communication has significant effects
on both staff performance and employee relations, especially for large firms. Also, internal communication has a significant negative correlation with outsiders of the organization.

The study will recommend that there is need for large organizations to take cognizance of the fact that poor internal communication may impact negatively on staff performance. The management should always strive to ensure that there are good and open lines of internal communication in the organization. This will ensure better organizational results. Also, large organizations should try and strictly follow the lines of communication put in place. There is need to carry out more research on the process of internal communication and especially for large organizations to establish how it can be made more efficient.
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CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

Internal Communication (IC) has long been recognised as an important corporate governance mechanism for aligning the interests of managers and all stakeholders to an organization. The need to adopt the right corporate governance mechanisms for the purpose of such alignment is driven by the agency problem and the associated free-rider problem that makes it difficult for any single investor or stakeholder to bear the cost of monitoring managers. The central role of IC in this process has therefore been recognized and in recent years has gained significant attraction for at least a couple of reasons.

One, Smart organizations recognise that employees will always talk with each other, so it is better to set the agenda and informal discussion points than have them dictated by an uninformed staff. This is no different from external communications, where the role of the PR practitioner and business communicator is to engage with and reflect the position of the employer or business to that employer or business’ larger group of ‘publics’ – that is, anyone who may have any impact on or be impacted by the organisation.

Two, events at KCB and several other large corporations suggest the need for policies to promote Internal Communication and other aspects of corporate governance.

It is important to distinguish between communications on behalf of the organization and the day to day intercourse within work groups or between managers and subordinates. Minzberg talks about the fact that communications is intrinsic to the work of a manager -
it is the very essence of work in many situations. There are a number of reasons why organizations should be concerned about internal communication.

Importantly, there is commonly a legal requirement for organizations to communicate with their workers. In Europe, for example, the EU has made very specific provision about workers' rights to be informed and consulted.

Effective internal communication is one of the key drivers of employee engagement. It has proven to add significant value to organizations on all metrics from productivity to customer research. This is according to the UK government-sponsored MacLeod Report. As noted in Quirke (2008): "Traditionally, internal communications has focused on the announcement of management conclusions and the packaging of management thinking into messages for mass distribution to the 'troops'." Research indicates a limit to the value of this 'broadcasting' model of IC.

Larkin and Larkin (1994) also argues that without feedback loops and harnessing the active involvement and mediation skills of frontline supervisors or team leaders, broadcasting tends to be more effective at influencing senior and middle managers than frontline employees.

Stohl (1995) sees that as the IC function matures within the organization, then, it may come to play a wider role in facilitating conversations "upwards", "downwards" and
across the organization, Organizations increasingly see IC as playing a role in external reputation management.

Joep Cornelissen in his book *Corporate Communications* touches on the relationship between reputation and internal conversations. This trend reaches its full potential with the arrival of new 'norms' and customer expectations around social media, for example in the work of Scoble and Israel, market researchers have likewise highlighted the effects of employee advocacy on an organization's external reputation.
1.2 Statement of the Problem

Internal communications (IC) is the function responsible for effective communication among participants within an organization.

It is a subset of effective business communication, which is built around this simple foundation: communication is a dialogue, not a monologue. In fact, communication is a dual listening process.

So Internal Communication, in a business context, is the dialogic process between employees and employer, and employees and employees.

IC draws on the theory and practice of related professions such as Journalism, Knowledge management, Public relations, Media relations, Marketing, Human Resources, Organizational studies, Communication theory, Social psychology, Sociology and Political science.

So many times IC is forgotten by strategists and PR professionals – it should always be remembered that communication between employees is very often far more powerful than any communication from employer to employee.

Whereas the ‘top-down’, employer-driven communication is great for setting a communication agenda or discussion point, it is the peer-to-peer employee communications that determine the tone of the response back to the employer.

How does internal communication affect staff performance? Also, is there a significant relationship between internal communication and staff performance? Conversely, what are the effects of internal communication on employee output, timeliness, cost effectiveness, adherence to policy, personal appearance/grooming and appraisal?
This study seeks to examine the effect of internal communication on employee performance in large corporate organizations. Addressing this aforementioned objective is motivated by certain methodological issues commonly adopted in earlier research in other countries on the link between internal communication and staff performance in large corporate organizations.

**Research Questions**

1. Is staff performance influenced by Internal Communication in large organizations?
2. Are staff performance indicators affected by Internal Communication?
1.3 Objectives of the Study

1.3.1 Broad Objective

The main objective of this paper is to examine the effect of internal communication on employee performance on large corporate organizations.

1.3.2 Specific Objectives

This broad objective can be divided into specific objectives, which are in line with the measures staff performance. This is to establish the effects of internal communication on staff performance indicators such as;

I. employee output; quantity of work produced

II. timeliness

III. cost effectiveness

IV. adherence to policy

V. personal appearance/grooming

VI. appraisal; modes of appraisal and how the appraisal results impact staff.

Other specific objectives are;

To establish which IC channels are used by KCB to disseminate information to its staff.

To find out the extent to which KCB staff are exposed to IC messages.
1.4 Justification of the study

The purpose of this study will be to investigate and record the impact of internal communication on staff performance in large corporate organisations. The results will be documented for future studies and for reference.

1.5 Importance of the Study

This study is important to the management of large corporate organizations because they would understand that internal communication is considered a vital tool for binding an organisation, enhancing employee morale, promoting transparency and reducing attrition.

Internal Communication managers and other practitioners in the service industry will also find the results of this study intriguing. The findings will help them in appreciating the need for them to implement more loyalty programs in their firms in order to reap from the benefits of effective internal communication.

Researchers, scholars and students of communication will gain from this research. Suggestions will be made on where more studies need to be done in the area thus will greatly be helpful to future researchers. Communication students will use this study as a guide to drawing exhaustive comparisons and similarities between internal communication and corporate communication.
CHAPTER TWO
LITERATURE REVIEW

2.1 Theoretical Framework

The two step flow theory provides the theoretical framework for this study. The model hypothesizes that ideas flow from mass media to opinion leaders and from them to a wider population. (Lazarfeld 1944; Katz 1955). Within the context of the two step flow theory, the problem of mass media and a large audience has been narrowed to the level of a large organization. Opinion leaders will be the people with most access to organizational information: those who have a more literate understanding of this information and therefore they explain and diffuse the content to others. Opinion leaders pass on their own interpretations in addition to the actual organization information content. Opinion leaders are quite influential in getting people to change their attitudes and behaviours and are quite similar to those they influence. It needs to be noted that this organizational information can either be true or not; and more often than not, the source is unknown.

The two step flow theory improves the understanding of how this organizational information influences the decision-making process. The theory refined the ability to predict the influences messages derived from organizational information on employees' behaviour. Also, the theory helped explain why certain organizational campaigns may have failed to alter employees' attitudes on behaviour. The two-step flow of communication hypothesis was first introduced by Paul Lazarsfeld, Bernard Berelson, and Hazel Gaudet in *The People's Choice*, a 1944 study focussed on the process of decision-making during a Presidential election campaign. It was discovered that informal,
personal contacts were mentioned far more frequently than exposure to radio or newspaper as sources of influence on voting behaviour. In this case, organizational information moves faster and more efficiently because it is channelled through opinion leaders. Usually, this is an informal way of communication.

2.2 Internal Communication

The literature on the effect of internal communication on staff performance in large corporate organizations has registered significant growth, buoyed mainly by studies of large and to a lesser extent some small organizations. The rapid growth in the literature is perhaps motivated by the realization that left to itself; the process of internal communication does not have the capacity to address the problems staff performance. However, it is in order to present an overview of what the literature says about the main ways in which IC has focussed on the announcement of management conclusions and the packaging of management thinking into messages for mass distribution to the employees. (Quirke 2008).

Management conclusions and management thinking provides an incentive for employees to promote negative IC that may be injurious to the organisation as a whole. This may also be advantageous in its own way and especially in the organizational information comes directly from management to employees and it is received well. Then here, the hypodermic needle model of communication can be adopted. A typical organization's structure will have three levels of management. There is the senior management, middle management and lower management and/or other organizational employees.
People at work communicate regardless of the intention of their leaders. There is communication on behalf of the organization and there is the day-to-day intercourse within work groups or between managers and subordinates. It should be noted that communication between employees is very often far more powerful than any communication from employer to employee. This is reinforced by Clampitt (2005) who emphasizes interpersonal communication in an organisation.

Large organizations have a long history of promoting a sense of unity among the employees of a company. This therefore encourages diagonal communication. It is the one with least negative criticisms from the concerned parties.

Given the weakness of how large organizations are structured, a broad spectrum of how organizational information can be conveyed has been suggested as effective mechanisms for promoting internal communication. The literature surveyed below is divided into two categories, the first concerning internal communication, and the second on indicators of staff performance.

### 2.2.1 Internal Communication Planning (ICP) Process

First, we need to understand that we plan for internal communication for a long term time period. Since the effects of communication exert themselves over an extended period (Macleod 2009), we need to look at an approach that will extend over years. While event based tactical communication planning is reactive and short term, strategic ICP is by its nature, longer term and proactive.
As such, before we begin ICP, we need to be clear what kind of workplace we are attempting to create and what values, principles and procedures need to be in place so that our vision workplace comes about. So, as with other kinds of strategic planning, we first decide the kind of organization we want, then we plan a communication approach to bring that vision to life.

Next, we need to consider a very broad approach to communication. Often, even organizations who address internal communication fail because they understand the organization communication process as a limited process—one that includes only what we normally think of as communication methods. For example, they formulate a vision statement, or statement of principles, and plaster it all over the organization, without considering that the behavior of managers and the decisions that are made in the organization are the "real communication tools". What results is a situation where the "formal" communications say one thing to staff, while decision-making and actions send a conflicting message. It's almost better to do nothing at all, since an inconsistent, non-comprehensive approach to communication breeds resentment and cynicism. (Schein 2004)

So, the key elements:

- long-term focus
- clear values, goals
- comprehensive, pervasive methods
- consistent messages
Outline of ICP Steps

The details of how one plans for internal communication to create a coherent culture will vary depending on a number of factors, one of the most important being the size/level of the organization we are looking at. (Comelissen 2004) In a small organization, a branch manager/director may draft an internal communication strategy by him/herself, particularly if the elements of communication in the organization are under his/her control. Or, the manager can consult with staff regarding the kinds of information staff feel they need.

In larger organization, internal communication strategies need to include many more players (eg. senior executives, managers, HR people, etc). (Quirke 2008).

However, according to Bacal (2000) a general process can be described as follows;

1. Identify the common culture needed/wanted

We make the distinction between what is needed and what is wanted because the culture we seek to create should somehow enable the organization to better achieve the goals, role and mission it has designated for itself. The parallel here is to the visioning process that occurs in strategic planning, except it answers the question: "What values, principles, procedures and behaviors must we create so that we can achieve our mission?" In practical terms, this step can result in a set of goals.

2. Identify the available communication tools

Since we consider internal communication in a broad sense, we need to identify the means by which we can affect corporate culture in the direction we want to go. Below are some examples of communication tools to consider, but there may be others.
Paper-based:

Memos (internal correspondence), newsletter, brochures, performance appraisal documents, slogans, pay packet enclosures, etc.

Executive/Manager Oral:

General meetings, division and branch meetings, team addresses, one-on-one (face to face) manager to staff communication.

Electronic:

E-mail, web sites and intranets

Management Behavior:

Any and all management/executive behavior that sends messages, either intentionally or unintentionally about the values, principles, purposes of the organization.

Staff to Management Fora:

Surveys and other fora such as staff meetings, individual meetings etc.

Policies & Procedures:

Policies and procedures need to reinforce and be consistent with the messages being sent by other "channels".

Training:

Training and learning settings are often used to teach specific skills and values. An example is customer service.
3. Determine what tools are suited to which goals

We need to match the tools we have at our disposal to the goals that we identified in Step 1. Some tools are best suited to certain types of goals and not to others. In general, though we want to aim all of our available communication tools at the achievement of our goals.

4. Develop a description of how each tool will be used.

People "in charge" of the communication tools need to know both generally and specifically how their tools fit into the larger context. For example, managers need to understand the tone and approach to writing internal memos that will be consistent with the "internal communication" goals matched to that tool. Or more obviously, a corporate newsletter editor must be aware of the primary values, and information that needs to be conveyed to staff so the newsletter supports the creation of the desired culture.

5. Plan for remediation

Since the ICP process is comprehensive, we may end up asking people in the organization to behave and communicate differently. That may mean we will need to help people develop the skills needed to fulfill these new expectations. For example, a manager might need to learn how to rephrase memos, or conduct cooperative performance appraisals so they are consistent with the desired culture.

6. Plan for Implementation

At this point we should know what we need to communicate and how we are going to do it. We may want to flesh this out a bit by determining who will do what, and when it will
be done. Let's remember that this is NOT a project, but an ongoing process...we want to change communication approaches over the long term.

(Note: In both strategic planning and internal communication planning, we often need to "cascade" from the top of the organization down).

7. Implement

8. Continuously Monitor and Revise

Over time, new communication tools may become more obvious, or we may find that some tools are ineffective. So consistent with a continuous improvement approach we need to assess the effects of what we are doing, and "re-steer" as needed. Some organizations use annual surveys to assess whether progress is being made, and solicit additional ideas.

Conclusion

The development of a strategic internal communication strategy and its implementation can provide a number of benefits to organizations. To achieve those benefits we need a coordinated, comprehensive, long term communication approach.

2.2.2 Other Control Variables

Investigating the effects of the above characteristics of the process of internal communication requires controlling for certain other variables such as organizational size. First, the size of the organization is an important variable that needs be considered.
IC in a large organization is from a stand-alone department hence can have more weight as opposed to IC in a small organization where the Communications department has been integrated with Human Resources and/or Marketing. Internal Communication and organizational structure and size have been reported in the literature (Smith et al. (2005), Hopkins, 2006; Kotter (1996).

The second control variable is the employees of the organization themselves and how they relate to each other regardless of their position. There is the argument both in the literature and in policy that one of the ways in which internal communication can be effective both in a small and in a large organization is for the employees themselves to take part in the whole process of communication and own it up. The argument is that this will enable the employees to have more interest in the communication process of the organization hence with other mitigating factors improve organizational performance (Hopkins, 2006). Within a certain range, a positive relation is predicted between management and employee communication.

A third element of internal communication often cited in the literature is the plethora of techniques and technologies used to communicate both up/down and side-to-side within an organization.(Bacal 2000). They are;

- One-on-one meetings
- Staff/team meetings
- Emails
- Voice mails
- Video broadcasts
- Intranets
- Audio files (usually downloadable audio)
2.3 Internal Communication and Employee Performance

Schein (2004) recently surveyed the literature on how internal communication affects staff performance or vice versa, so the survey here is brief. Prior studies of the effect of internal communication on staff performance generally adopt an approach which involves how organizational information affects the employees' behaviour and in turn their performance. This approach can involve tractable data, which makes it easier for researchers to find statistically significant results. But it doesn't tell us how employees' behaviour towards IC affects the organizational size and structure. For example, in a large organization that is divided into divisions and these divisions are further divided into units, employees fail to know what is happening in the organization especially if it is not directly linked to their unit. This can be seen as a communication lapse that fails the organisation in the long-run because if this employee is queried about this issue by an external party, they would not have an idea about it. This can build a negative reputation of the organization by the external party.

Prior research does not establish a clear correlation between IC practice and employees' behaviour towards organizational communication. Early work by Larkin (1994) reports a positive correlation between external reputation and internal conversations. Cornelissen (2004), Schein (2004), and Quirke (2008) all report no significant correlation between external reputation and organizational size and structure.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

This will be a cross-sectional survey. A cross-sectional survey is selected because it enables data to be collected across several respondents at the same time. The study will collect data from employees of Kenya Commercial Bank on the relationship between internal communication and staff performance.

3.2 Target Population and Sample Size

The target population will be Kenya Commercial Bank’s head office staff. These are approximately 250 staff members. However, a sample of 50 staff members will be used. These will be the respondents of the questionnaires. Stratified method of probability sampling will be used because it reduces sampling error. A stratum is a subset of the population that share at least one common characteristic. Examples of strata in this case will be employees’ position in the organisation; subordinates, clerks, supervisors and managers. Random sampling will then be used to select a sufficient (a sample size large enough to represent the population) number of subjects from each stratum. Stratified sampling has also been selected because some strata in the population have a low incidence relative to the other strata.
3.3 Data Collection

3.3.1 Data Sources

Data for the period 2004 through 2008 will be obtained from the internal communication material available in the bank. This data will be collected from Cascades, Circulars, Daily Press Bulletin, News Flash and other journals. Questionnaires will be used to obtain data from respondents who are KCB staff members. These will be the sources of information on some important variables of interest such as techniques of IC, staff performance and Employee relations. The questions in the questionnaire will be structured and closed.

3.3.2 Variable Measurements

There will be basically two categories of variables for this study. On one hand will be measures of techniques of Internal Communication. On the other hand will be measures of employee performance along with some control variables. The measures of employee performance will be: employee output (quantity and quality), timeliness, cost effectiveness, adherence to policy, personal appearance/grooming and appraisal.

Employee performance will be measured using the following indicators of performance;

1. Employee output (quantity and quality): The number of units produced, processed and/or delivered is a good objective indicator of performance.

The quality of work performed can be measured by several means. The percentage of work output that must be redone or is rejected is one such indicator.
2. **Timeliness**: How fast work is performed is another performance indicator. This means a fast turn around time for processes and hence fast delivery of service.

3. **Cost-Effectiveness**: The cost of work performed should be used as a measure of performance only if the employee has some degree of control over costs.

4. **Adherence to Policy**: Deviations from policy indicate an employee whose performance goals are not well aligned with those of the company.

5. **Personal Appearance/Grooming**: Inappropriate appearance and grooming should be spelled out, their effects upon the employee’s performance and that of others explained, and corrective actions defined.

Performance indicators must be assessed by some means in order to measure performance itself. Here are some of the ways in which performance will be assessed from the aforementioned indicators.

1. **Manager Appraisal**: A manager appraises the employee’s performance and delivers the appraisal to the employee. Manager appraisal is by nature top-down and does not encourage the employee’s active participation. It is often met with resistance, because the employee has no investment in its development.

11. **Self-Appraisal**: The employee appraises his or her own performance, in many cases comparing the self-appraisal to management's review. Often, self-appraisals can highlight discrepancies between what the employee and management think are important
performance factors and provide mutual feedback for meaningful adjustment of expectations.

111. **Peer Appraisal:** Employees in similar positions appraise an employee’s performance. This method is based on the assumption that co-workers are most familiar with an employee’s performance. Peer appraisals are often effective at focusing an employee’s attention on undesirable behaviors and motivating change.

1IV. **Team Appraisal:** Similar to peer appraisal in that members of a team, who may hold different positions, are asked to appraise each other’s work and work styles. This approach assumes that the team’s objectives and each member’s expected contribution have been clearly defined.

V. **Assessment Center:** The employee is appraised by professional assessors who may evaluate simulated or actual work activities. Objectivity is one advantage of assessment centers, which produce reviews that are not clouded by personal relationships with employees.

15. **360-Degree or “Full-Circle” Appraisal:** The employee’s performance is appraised by everyone with whom he or she interacts, including managers, peers, customers and members of other departments. This is the most comprehensive and expensive way to measure performance and it is generally reserved for key employees.
16. **MBO (Management by Objectives):** The employee’s achievement of objective goals set in concert with his or her manager is assessed. The MBO process begins with action statements such as, “reduce rejected parts to 5 percent.” Ongoing monitoring and review of objectives keeps the employee focused on achieving goals. At the annual review, progress toward objectives is assessed, and new goals are set.

There are as many indicators of performance as there are companies and jobs. The various assessment methods can be used in combinations. It is important to choose indicators that align with your company’s goals and assessment methods that effectively appraise those indicators.

### 3.4 Data Analysis

Two methods of data analysis will be employed and the results will be divided into two to reflect this categorisation. The first type of analysis will be descriptive analysis, which provides visual tools of descriptive analysis, such as pie charts, line graphs and column graphs.

Chapter 4 of this paper presents results based on this method of analysis. The second method of analysis will be statistical analysis/inferential statistics. It studies the impact of a treatment, condition, or intervention (an independent variable) on an outcome of interest (dependent variable). For example, the effect of internal communication on staff performance in a large organization.
CHAPTER FOUR
DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter presents the results of the study. The descriptive results are first shown. This is followed by the statistical results for the entire sample.

4.2 Descriptive Analysis and Statistical Analysis

The descriptive statistics shown below indicate the responses obtained for the variables used in the study.

Descriptive Statistics
Table 1

![Pie chart]

This shows the number of respondents of the study. Majority of the respondents were managers – 29, followed by clerks – 14 and then supervisors – 7.
<table>
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<tr>
<th>Satisfaction of Employees with regards to Internal Communication in KCB</th>
<th>12 Very Dissatisfied</th>
<th>3 Neutral</th>
<th>45 Very Satisfied</th>
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</table>

The level of staff satisfaction with regards to internal communication in KCB.

54% of the staff members are very dissatisfied with how IC is carried out in KCB.

Whereas 20% are satisfied and 26% are neutral about the same.
Currently, staff performance rating in KCB is poor. This means that the methods used for staff performance rating ought to be changed.
The graph shows the confidence levels of the employees with regards to how the parameters used to measure employee performance should be applied to them daily. For example, the staffs are 20% confident that their cost effectiveness should be measured everyday. This means that the employees are not cost effective and therefore would not like it to be measured as a parameter of employee performance.

The other parameters for measuring employee performance such as adherence to policy (90%), timeliness (80%), and personal appearance (70%) have high confidence levels. Employees are 50% confident that their output should be measured daily. This means that there are some employees whose output is below level and therefore they are not confident about this parameter of employee performance being measured everyday.
Various techniques and technologies of IC were selected for the study. The graph shows how common they are utilized in KCB. It can be seen that email is the most common technique of IC used. Whereas, technologies such as voice mails and audio files are never utilised.
Almost all the employees strongly agree that they need to appraise themselves. They also agree that peer appraisal can be done. From the graph, they are also in agreement with team appraisal. The employees disagree with manager appraisal, an assessment centre and 360 degree appraisal.

This means that the employees prefer to be appraised by themselves, by their peers or by their teams since these are the people with first hand information about them. They work closely with them and interact with them.
CHAPTER 5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of research findings, conclusions of the study, recommendations for policy and practice and suggestions for further research.

5.2 Summary and Discussion

A sample of 50 staff members was used in this study. Majority of the respondents were managers at 29. This does not necessarily mean that the staffs in management are the most in KCB.

Currently, staff performance rating in KCB is poor. This can be attributed to the fact that there is a lapse in the techniques and technologies of IC used in KCB because this is a contributing factor to the effectiveness of employee performance. Commonly used techniques of IC in KCB are emails, the intranet and staff meetings. These are common techniques of IC.

The employees are dissatisfied with the methods of internal communication used. This has resulted to a lower performance of the employees. This can be seen where the employees are not 100% confident that the parameters for measuring employee performance should be evaluated on them daily.

KCB employees prefer to appraise themselves (90%) or by their peers (60%) or by their teams (50%). When it comes to them being evaluated by third parties, there is a disagreement according to their responses thus manager appraisal, assessment centre appraisal and 360 degree appraisal scoring low.
5.3 Conclusions

The main objective of this paper was to examine the effect of internal communication on staff performance in large corporate organizations. On the effect of internal communication on staff performance, the study revealed that there was a significant positive correlation when the sample was analyzed. For the large firms, the relationship was positive and significant.

The employees are not satisfied with how internal communication is being carried out in KCB. This has a direct relationship with how staff performance is carried out. Therefore, it can be concluded staff performance in KCB is low and even the way that the employees are evaluated is not satisfactory.

The employees are not confident that they should be evaluated on a daily basis with the parameters for measuring employee performance (employee output, adherence to policy, timeliness, personal appearance and cost effectiveness). With this we can also conclude that there is low staff performance in KCB.

The techniques and technologies of IC used in KCB are staff meetings, emails and the intranet. This is very narrow given that KCB is a large firm that ought embrace the wide variety of IC techniques and technologies available nowadays.
5.4 Recommendations

The study recommends that there is need for KCB to embrace more forms of techniques and technologies of IC so as to fill the IC gap that currently exists. This will not only lift employees’ morale but their performance too. The more the channels of IC available, the more there will be communication to staff and consequently a higher staff performance. Also, with excellent lines of IC, the staff will feel like they are ‘part’ of the organization.

It is also recommended that there needs to be a review on the methods used to measure employee performance. This is because even if the lines on IC are amended but the methods of measuring employee performance are the same then the true picture of the effect of IC on staff performance will not be realized. As it was revealed, staff members are dissatisfied with the current methods used to measure staff performance.

5.5 Suggestions for further research

There is need to carry out more research on IC for both large firms and small firms to establish the reason for the lapse. The present study found mixed results for a large corporate and the results were significant.
REFERENCES

References


• Quirke, B. (2008). "Making the Connections; using Internal Communications to turn strategy into action", Burlington, VT: Gower Publishing Company


• Scoble R, Israel S. (2006) Naked Conversations: how blogs are changing the way businesses talk to customers, Hoboken NJ, John Wiley & Sons

• Corporate responsibility: The communication challenge Jenny Dawkins Journal of Communication Management, 2004; p.108
• Quirke, B. (2008). "Making the Connections; using Internal Communications to turn strategy into action", Burlington, VT: Gower Publishing Company


ank you for agreeing to provide feedback on your organization’s internal communication. This research will help improve internal communication to the organization. Your candid response to the questionnaire below is appreciated.

1. What is your current position in KCB?
   (circle one)
   a. Manager........................................1
   b. Supervisor................................... 2
   c. Clerk...............................................3

2. Overall, how satisfied you are with internal communication in KCB?

<table>
<thead>
<tr>
<th>Very Dissatisfied</th>
<th>Neutral</th>
<th>Very Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
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<tr>
<td>4</td>
<td>5</td>
<td></td>
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</tbody>
</table>

3. For each of the following questions, please circle the number that corresponds with your confidence that you are always up to date with the parameters used to measure employee performance.

How confident do you feel that your employee output (quantity and quality) should be measured every day?

How confident do you feel that your timeliness to the office should be measured every day?

How confident do you feel that the rate of your cost effectiveness should be measured every day?
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<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><img src="1-5" alt="Not at all confident" /></td>
<td><img src="1-5" alt="Not at all confident" /></td>
<td><img src="1-5" alt="Not at all confident" /></td>
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   How confident do you feel that your employee output (quantity and quality) should be measured every day?
   How confident do you feel that your timeliness to the office should be measured every day?
   How confident do you feel that the rate of your cost effectiveness should be measured every day?
How confident do you feel that your adherence to policy should be measured every day?

How confident do you feel that your personal appearance/grooming should be assessed every day?

4. How would you rate the utility of the following techniques and technologies of IC (Internal Communication) in KCB?

<table>
<thead>
<tr>
<th>Technique</th>
<th>Excellent</th>
<th>Very Good</th>
<th>Average</th>
<th>Poor</th>
<th>Unacceptable</th>
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</thead>
<tbody>
<tr>
<td>One-on-one meetings</td>
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<tr>
<td>Staff/team meetings</td>
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<tr>
<td>Emails</td>
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<td>Voice mails</td>
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<td>Video broadcasts</td>
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<td>Intranet</td>
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<td>Audio Files (usually downloadable audio)</td>
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<td>Newsletters</td>
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<td>Bulletins</td>
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</table>
5. In general, staff performance rating in KCB is:

(Circle one)
Excellent..........................................1
Very good........................................2
Good.................................................3
Fair..............................................4
Poor.................................................5

6. To what level do you concur with the following parameters being used to appraise employees?

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager Appraisal</td>
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<tr>
<td>Self Appraisal</td>
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<tr>
<td>Peer appraisal</td>
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<tr>
<td>Team Appraisal</td>
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<tr>
<td>Assessment Center</td>
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<tr>
<td>360 degree Appraisal</td>
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