

Effect of Organisational Communication and Culture on Employee Motivation and Its Impact on Employee Performance

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ABSTRACT

Human Resource Management is one of the most important factors in a company's operations. When changes happen, employees need to adapt to the work environment and this can influence many aspects of employees' working life. The performance of employees will influence the performance of an organisation and one of the factors that influences employee performance is employee motivation. The changes can be through communication and culture differences. Television broadcasting service companies must focus on their human resource because they employ a large number of workers. There are 19 major television companies in Indonesia. The broadcasting industry is one of the pioneers of private television stations in Indonesia. Media Citra Nusantara owns RCTI, Global TV and iNews TV. The purpose of this study is to determine the influence of organisational communication and organisational culture on employee motivation and its impact on employee performance in the broadcasting industry. The method of data collection

used in this study is the questionnaire. Questionnaires were distributed to 300 employees. The data analysis method used in this study is path analysis. The results of this study shows that organisational culture does not influence employee performance, while organisational communication and employee motivation influence employee performance.

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INTRODUCTION

Humans are social beings often need of help from others to carry out daily activities successfully. Communication is unavoidable for organisations to function. Communication is one of the most dominant and important activities in an organisation (Harris & Nelson, 2008). Employees are the force that moves a company towards its goals, and only through communication are a company's goals and objectives delivered to its employees. Human resource is a vital aspect of an organisation because the growth and the success of an organisation depend on its employees. Employees determine how a company operates its business.

A previous study has shown that different aspects of effective organisational communication such as high frequency, openness and accuracy, performance feedback and adequacy of information on organisational policies and procedures are positively related to employees' feelings of happiness in the workplace and job performance (Neves & Eisenberger, 2012). Another study showed that an organisation's communication system has a positive and significant effect on work motivation (Ramadanty & Martinus, 2016). Employee performance is influenced by motivation because if employees are motivated, they will put in more effort into work and will eventually improve their performance (Azar

& Shafighi, 2013). This study analyses organisational communication among employees of broadcasting companies. According to a preliminary interview with the Corporate Secretary of broadcasting companies, with the growing of number of employees today, there is a need to analyse employee performance. Rajhans (2012) stated that to manage the present performance of employees and to motivate them towards better performance, efficient communication practices are needed in all organisations. Thus, the focus of this study was to determine the effect of organisational communication and organisational culture on employee motivation and its impact on employee performance.

The scope of this study was the broadcasting industry in Jakarta, Indonesia. To collect data for this study, a survey was conducted among broadcasting companies. Employee in different positions and departments were recruited. This research was conducted in order: (1) to discover if organisational communication had an influence on employee motivation; (2) to discover if organisational culture had an influence on employee motivation; (3) to discover if organisational communication had an influence on employee performance; (4) to discover if organisational culture had an influence on employee performance; (5) to discover if employee motivation had an influence on employee performance; (6) to discover if organisational communication and organisational culture had an influence on employee motivation simultaneously; and (7) to discover if organisational

communication and organisational culture had an influence on employee motivation and what their impact was on employee performance.

LITERATURE REVIEW

Communication is a basic human function that is indispensable in the smooth running of an organisation, therefore the effectiveness of organisational communication has to be maintained in order to ensure overall good performance. Organisational communication covers the exchange of information, ideas and views within and without an organisation (Locker & Kaczmarek, 2010). Business communication is diverse, and involves both internal stakeholders within the organisation, as well as external stakeholders outside the organisation (Karki, 2012). Effective business communication therefore involves both internal as well as external communication. Internal organisational communication facilitates the flow of information among members of the organisation, while external communication occurs between organisational members and people outside the organisation.

Organisational communication determines how organisational culture is distributed throughout the company. Culture is the sum of the values and norms, code of attitude and way of thinking that is learnt within the family, school, social environment and work (Browaeyns & Price, 2011). There are three levels of culture: artifact, espoused beliefs/norms and values and basic underlying assumption. Artifacts are the visible products of the group such

as the architecture, language, technology and products, clothing style, myths and stories about a group and its rituals and ceremonies. Norms are written or unwritten rules of a society that explain what is happening; they determine what is right or wrong about behaviour and values, general preferences as to what is good or bad and how things should be. Culture also refers to the underlying assumptions that guide people's beliefs, actions and behaviour.

Organisational communication and culture can affect employee motivation depending on the work environment (Simamora, Marsellinus, & Hartono, 2016). Most employees need some motivation to feel good about their jobs and to perform optimally at their jobs. Some employees are money-motivated, while others find recognition and rewards personally motivating. Motivation levels within the workplace have a direct impact on employee productivity. Workers who are motivated and excited about their jobs carry out their responsibilities to the best of their ability, causing production numbers to rise as a result (Ganta, 2014). According to Maslow's Hierarchy of Needs, motivation has five layers of needs: physiological needs, safety needs, belongingness and love needs, esteem needs and self-actualisation needs.

Employee motivation is one of the biggest factors that affect employee performance. Employee performance indicates the effectiveness of employees' specific actions that contribute to attaining organisational goals. It is defined as the way to perform job tasks according to the

prescribed job description (Iqbal, Ijaz, Latif, & Mushtaq, 2015; Simamora, 2013). Strengthening employee performance ultimately benefits the company. A qualified, skilled and motivated workforce contributes greatly to achieving organisational success (Rounok & Parvin, 2011). Employee

performance can be measure by the quantity, quality and timeliness of output, attendance at work and effectiveness and efficiency of completed tasks. The relationship between the four variables can be illustrated as done in Figure 1.

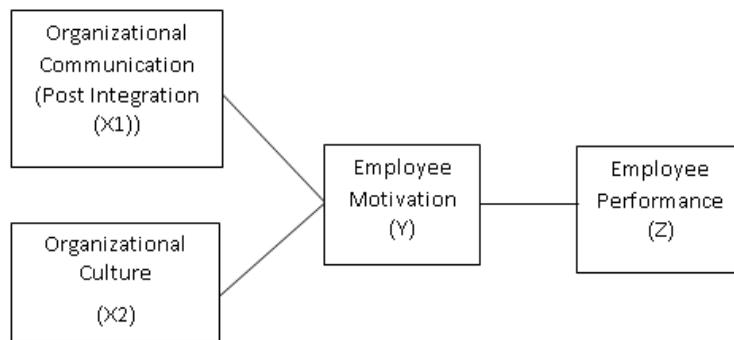


Figure 1. Theoretical framework

MATERIALS AND METHOD

This associative research study involved independent and dependent variables. The method used to collect data was a questionnaire that measured items using the Likert scale. The unit of analysis for this study was individual and involved employees of broadcasting companies. The time horizon was cross-sectional. The source of data was primary data collected from the questionnaire on organisational communication, organisation culture and employee motivation and performance in broadcasting companies. A population of 1,200 employees was whittled down to 300 employees using probability random sampling based on the Slovin formula.

The data analysis methods that were used were: (1) a validity test to determine whether the measurement tools that had been developed could be used for measuring to test how well the instrument was designed for measurement (Sekaran & Bougie, 2013); (2) a reliability test to test for bias to ensure consistent measurement across time and items in the instrument (Sekaran & Bougie, 2013); (3) a normality test to determine the data analysis to discover if data were distributed normally or not to ensure accuracy in the next step (Sugiyono, 2013); (4) a multicollinearity test to determine if the variables in the multiple regression model were associated (Sekaran & Bougie, 2013) to discover if the variables did not have a

relationship with one another because the multiple regression procedure assumes that no variable has a perfect linear relationship with other variables (Tabachnik & Fidell, 2014); (5) a heteroscedasticity test to discover if there was inequality of residual variance in the regression model (Ghozali, 2011), shown through the Spearman Rank Correlation between independent variables and the residual value; (6) a correlation test to identify and trace the influence of one variable on another (Sekaran & Bougie, 2013); if there is a relationship, the Pearson Correlation coefficient will indicate it, and show its strength and direction; (7) a multiple regression test

to discover the relationship between the dependent and independent variables to predict changes to a dependent variable value when the independent variable value increases or decreases (Sugiyono, 2013); and (8) path analysis, which is a model for analysing patterns of relationship between the variables and determining the direct or indirect influence of variable X (exogenous) on variable Y (endogenous); it is the direct extension of multiple regression test and uses the beta coefficients derived from the multiple regression test.

RESULTS AND DISCUSSION

Table 1
Result of Regression Analysis

Influence of Variables	Path Coefficients (Beta)	Sig. Value	T-statistic	Results	R square (individually)	Coefficient Determination (R ²)
X1 on Y	0.277	0.000	4.720	Reject H ₀	9.6%	10.3%
X2 on Y	0.092	0.119	1.564	Accept H ₀	3.6%	
X1 on Z	0.087	0.049	1.975	Reject H ₀	2.5%	53.5%
X2 on Z	0.034	0.431	0.788	Accept H ₀	2.1%	
Y on Z	0.784	0.000	17.862	Reject H ₀	52.9%	

Independent variables: X1=Organisational communication; X2=Organisational culture; Mediating variable: Y=Employee motivation; Dependent variable: Z=Employee performance

Based on the regression analysis test result, organisational communication was seen to influence employee motivation, with an alpha score of <0.05 and a t-statistic of >1.65. This is supported by Rajhans (2012), who showed that communications have a crucial role to play in the management effort to direct employees affected by changes, or to inform and motivate those

who adapt more readily. Also, organisational communication influences employee performance, presenting an alpha score of <0.05 and a t-statistic score of >1.65. As stated by Bhatia and Balani (2015), effective internal communication plays an important role in improving the performance of employees.

Next, employee motivation was seen to influence employee performance as the alpha score was below 0.05 and the t-statistic score was above 1.65. This is supported by Chaudhary and Sharma (2012), who showed that highly motivated employees invest their best in carrying out their duties and responsibilities. Organisational communication and organisational culture influenced employee motivation by 10.3%

simultaneously, while the remaining 89.7% was influence of other factors. Organisational communication, organisational culture and employee motivation influenced employee performance by 53.5% and the remaining 46.5% reflected influence from other factors. In conclusion, according to the regression analysis results, employee motivation should be taken seriously by companies because it improves employee performance.

Table 2
Results of Path Analysis

Variables	Path Coefficient	Causal Influence			Nature of Path Coefficient
		Direct	Indirect through Y	Total	
X1 on Y	0.277	0.277	-	0.277	Moderate
X2 on Y	0.092	0.092	-	0.092	Weak
X1 on Z	0.087	0.23	$0.277 \times 0.784 = 0.217$	0.447	Strong
X2 on Z	0.034	0.90	$0.092 \times 0.784 = 0.072$	0.972	Moderate
Y on Z	0.784	0.784	-	0.784	Strong
ϵ_1	0.947	-	-	0.947	-
ϵ_2	0.681	-	-	0.681	-

Based on the path analysis results, organisational communication moderately influenced employee motivation directly and strongly influenced employee performance indirectly. Organisational culture influenced employee motivation only slightly but indirectly influenced employee performance moderately. Employee motivation strongly influenced employee performance directly. Also, the error of other variables that contributed to employee motivation was 0.947, while to employee performance it was 0.681.

CONCLUSION

Based on the analysis of this study, the following could be concluded: (1) Organizational communication significantly influenced employee motivation in broadcasting companies i.e. by increasing effective communication within the organisation, companies will increase employee motivation as well; (2) Organisational culture has no significant influence on employee motivation in broadcasting companies; (3) Organisational communication significantly

influenced employee performance i.e. by increasing effective communication within the organisation, companies will increase employee performance as well; (4) Culture has no significant influence on employee performance; and (5) Employee motivation significantly influenced employee performance i.e. by increasing employee motivation within the organisation, companies will improve employee performance.

Based on the analysis and discussion, it is recommended that broadcasting companies maintain organisational communication as it has been proven to influence employees to better perform their job. The questionnaire results showed that there was a good flow of communication among employees, with this factor receiving a high average score of 3.63. However, companies still need to improve their organisational communication system to improve employee motivation and employee performance. The authors propose some recommendations for companies. First, companies should build relationship among employees from all levels of managerial administration to bring employees closer as this will smoothen the communication process. Employees in the same department, for instance, can get together for celebrations or on a routine basis.

Companies should also involve employees in decision-making to prevent employees from feeling that the company pays little attention to them. The questionnaire results showed a low average score of 3.20 for the statement on asking and responding to feedback, suggesting that the

company's ask-and-respond system could be improved so that employees' opinions can be better heard. Lastly, because people process information differently, communication through multiple channels can help to upgrade the communication process. For example, companies could rely not only on email blasts but also text messages, phone calls or face-to-face conversation. The more the channels that are used, the more likely it will be for all employees to receive the message.

Next, this research showed that organisational culture did not have significant influence on employee motivation and employee performance. Nevertheless, it would still benefit companies to try to improve their organisational culture. According to the questionnaire results, there was good teamwork as work environment received a high average score of 3.82. Teamwork as a factor of organizational culture can be improved by listening to employees' needs and ideas and opinions through focus group discussions and routine meetings. Companies should show that they trust their employees to make good decisions on behalf of the company.

Lastly, companies should pay more attention to boosting employee motivation as this was showed to have a significant influence on employee performance. One of the factors that most affected employee motivation was recognition and appreciation of work done; this factor received a high average score of 3.91. Thus, companies should establish or expand their recognition system for employees; however, this

system should not to be confused with their compensation system because recognition answers psychological needs and is not a direct request for remuneration.

Furthermore, the compensation system should also be upgraded because the employees surveyed in this study felt that they were being paid unequally for their role and job profile. The questionnaire results showed a low average score of 3.12 for this factor. Companies should compensate and rewards employee appropriately by paying them a competitive salary based on industry rates; indeed, some people use their salary to measure their value to the company they work for. Hence, salary can influence employee performance as employees feel their work contributes to the company's success and will keep on giving better performance when they are being appreciated for it. Another suggestion is to redesign jobs through job rotation and enrichment so that employees do not feel stuck in the same dull pattern doing the same job every day. In conclusion, to enhance employee performance, companies may consider the recommendations of given in this paper. It should also be pointed out that there are other factors that influence employee performance that were outside the scope of this study, and it would do well for companies to consider them too.

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