

A STUDY ON INTERNAL COMMUNICATION AS AN AUDITING METRIC FOR EMPLOYEE – ORGANIZATIONAL RELATIONSHIP

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ABSTRACT

The study entitled “A Study on Internal Communication as an Auditing Metric for Employee-Organizational Relationship” focuses on recognizing the relationship between internal communication and Employee – Organizational Relationship in the context of the IT sector with reference to Indian Demography. This research paper focuses on the employee’s view on the perception of internal Communication in IT firms. Cross – sectional research was conducted on 419 sample respondents who are working with the reputed MNC’s. Primary data was gathered through a survey disseminated via Google Forms. The paper focuses on constructs like Internal Communication as the independent Variable and Employee-Organizational Relationship as dependent variable. It must be noted that various demographic factors such as Age, Gender, Level and Work Experience were also tested to understand the relationship with the dependent variable. The results showed a positive impact of Gender, Age, Level and Work Experience on Employee – Organizational Relationship. SPSS Statistical software was used to carry out various relators. This study will help many Organizations to consider various factors before designing various communication polices.

Key Words: Internal Communication, Employee – Organizational Relationship, Employee Perception, IT Sector, Regression Analysis.

1. INTRODUCTION

Internal communication in organizations is now viewed as one of the foundational skills that determine organizational success as they have systematic impact on decision-making, creativity, interpersonal relations, organizational commitment, and organizational performance. In a work done on 150 food industry organizations in Iran, stress was laid on the importance of organizational strategies for improving the efficiency and effectiveness of the information flow and decision making to support innovation and increased operational speed. As it is further highlighted in literature, communication is a multi-dimensional concept, where it’s important components or facets such as the involved communicators, the intended goals of the communication and the communication channels prove to be vital. Internal communication also plays the major role in the strategic human resource management (SHRM), intellectual capital (IC) and organizational attractiveness which in turn shape the performance and turnover intention of the employees (Ref. 3). In addition, studies prove that Internal Communication Satisfaction Questionnaire (ICSQ) is effective in measure of communication satisfaction, particularly in eight factor model has high validity (Ref. 4).

Line managers play a vital role in improving organizational commitment by fostering trust and job satisfaction through effective communication, as highlighted in research applying stakeholder theory to address the diverse needs within organizations (Ref. 5). Employee engagement (EE), particularly in high-stress environments such as call centres, has also been shown to enhance job satisfaction and reduce turnover, which in turn lowers organizational costs (Ref. 6). Finally, communication serves as a crucial driver of positive organizational change by facilitating interactions among members, external environments, and cultural systems (Ref. 7).

Research Problem

Let it be known that internal communication plays a role in determining the nature of the employee-organization relationship, that is why it has to be effective. Although literature stressed how internal communication is critical, few are aware of how such communication is perceived by players and how it moderates the quality of the flow between the employee and the organization. The aim of the current research will be to examine internal communication as the moderating variable at a cross-sectional level the employee-organization relationship as perceived by the employee. This information will be used to examine the connection between internal communication practices and stronger bonds between the staff and the organization, how the communication can be optimized for the purpose of increasing staff engagement and organizational commitment.

2. LITERATURE REVIEW

As it will be presented later, internal communication is considered one of the most significant aspects of efficient organizational management in the literature. The following review brings together a number of studies that indicate the importance of communication in promoting commitment, organizational capability and, organizational effectiveness, measures of organizational success. It particularly concentrates on the internal organisational communication; the effects the communication may have on the relationships between the employee and the organisation, as well as on the organisation's ability to deal with crisis and development.

2.1 Internal Communication and Employee Relationship:

Internal communication plays a critical role in shaping organization relationship, especially through the communication styles adopted by managers. A study by Ref (8) explored the impact of managerial communication styles on organizational relationship using a combination of online and face-to-face surveys. The data collected from 215 participants was analysed using Cronbach's alpha reliability, correlation, and regression analysis. The study found that the communication style of managers has a partial effect on organizational relationship, while other forms of organizational communication do not significantly impact relationship. These findings underscore the importance of managerial communication in influencing employee relationship, but also suggest that other factors may contribute to this dynamic.

2.2 Strategic Communication and Organizational Development:

Strategic communication is essential for organizational development, as it helps align internal communication with broader organizational goals. Research by Ref (9) addresses the current state of strategic communication within organizations, identifying both weaknesses and areas for potential growth. The study suggests integrating organizational theory and social theory to enhance communication strategies, making them more effective and aligned with organizational objectives. By bridging these theoretical perspectives, organizations can develop more comprehensive communication strategies that address both internal and external challenges.

2.3 Communication and Organizational Resilience:

Organizational resilience is increasingly recognized as a vital component of organizational success, especially in times of crisis. Findings from Ref (11) emphasize the critical role that communication plays in fostering organizational resilience. The study highlights that organization-employee relationships act as a crucial mediating factor between resilience and its antecedents. Two-way symmetrical communication is identified as particularly important in enhancing organizational resilience, as it promotes mutual understanding and collaboration between employees and management. The research recommends that managers prioritize effective communication and positive employee relationships as key strategies for preparing organizations to withstand and recover from crises.

2.4 Internal Communication Maturity and Satisfaction:

Effective internal communication goes beyond the mere exchange of information; it involves fostering a culture of engagement, satisfaction, and maturity within the organization. Ref (10) validates a new scale for measuring internal communication maturity, which includes elements such as awareness, appreciation, relationship, engagement, and maturity. These factors are essential for assessing employee satisfaction with internal communication practices. The study also underscores the importance of conducting communication audits to identify areas for improvement. By evaluating the maturity of internal communication, organizations can better understand how to enhance employee satisfaction and engagement.

2.5 Communication Styles and Organizational Relationships:

The relationship between communication styles and organizational relationships has been explored in various contexts. The research by Ref (8) on communication styles highlights that while managerial communication can partially influence organizational commitment, it is not the sole factor determining the strength of employee-organization relationships. This indicates that a more holistic approach to communication, encompassing both formal and informal communication channels, may be necessary to strengthen these relationships.

Similarly, Ref (11) points out that communication is not just about disseminating information, but also about building strong relationships that contribute to organizational resilience. The emphasis on two-way symmetrical communication highlights the need for organizations to adopt more inclusive and participatory communication practices that foster trust and collaboration among employees.

3. RESEARCH MODEL

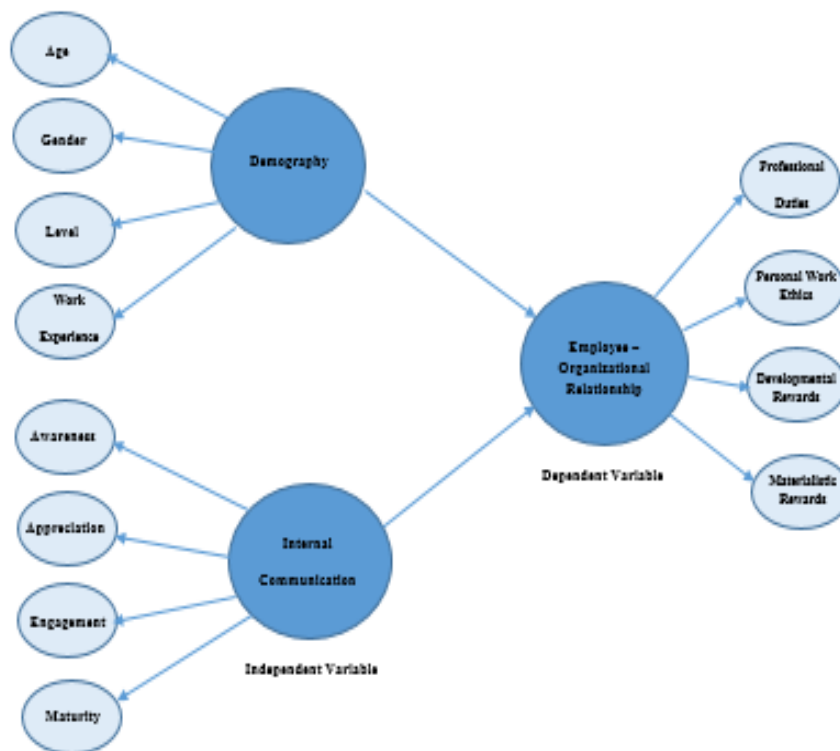


Figure 1: Model Diagram

4.1 Variables:

- Internal Communication (Independent Variable): This variable assesses the maturity of internal communication within organizations, based on employee perceptions of communication practices, awareness, and satisfaction.
- Employee-Organization Relationships (Dependent Variable): The quality of relationships between employees and the organization was measured, focusing on factors such as trust, commitment, and overall satisfaction.

4.2 Demographic Factors:

- Gender: Gender was analysed to understand if communication perceptions differ between male and female employees. Previous research (Ref. 10) noted a gender bias in their logistics industry study, which this research attempts to balance by including diverse participants.
- Level: Employee levels, ranging from entry-level to senior management, were considered to examine whether communication perceptions and relationships vary by position in the organizational hierarchy.
- Age: Age was another important demographic factor, helping to assess how communication preferences and satisfaction may change across different age groups, reflecting generational differences in communication style and expectations.
- Work Experience: Work experience was analysed to determine how long an employee has been in the workforce or with the organization, which can influence their perceptions of internal communication and their relationship with the organization.
- Data Analysis: The data was analysed using SPSS statistical software, with various statistical tests including correlation and regression analysis employed to identify the relationships between internal communication and employee-organization relationships. Special attention was given to the impact of demographic variables on the dependent variable. The study builds on the work of Ref (10) & Ref (20), using communication audits to identify strengths and areas for improvement in internal communication practices.

4. RESEARCH METHODOLOGY AND HYPOTHESES

This research work thus uses a cross-sectional survey design to establish the relationship between internal communication and employee-organization relationship in the IT sector particularly in the demography of India. The cross-sectional primary data was gathered with 419 active workers of different MNCs using Google Forms after following ethical approval. Internal communication and employee-organization relationships were the two constructs of interest; internal communication was the IV while employee-organization relationships were the DV. The questionnaire

was developed to assess the levels of internal communication satisfaction as a dependent variable, and the relationship between employees and organisations as the independent variable. As Ref (10) & Ref (20) in this study put and tested a Communication satisfaction and Employee – Organizational Relationship scale of 33 items, this research also uses related constructs such as awareness, appreciation, and engagement, communication maturity, Professional duties, Personal work ethics Developmental and Materialistic Rewards. These elements can be used to evaluate the performance of internal communication from the employee point of view showing the strong and weak points of the organisations to adjust the employee – organisational relationship. Every ethical consideration in so far as research is concerned was followed.

4.1 Hypotheses:

Correlation:

H0: There is no significant relationship between Internal Communication and Employee - Organisational Relationship.

H1: There is a significant relationship between Internal Communication and Employee - Organisational Relationship.

It was, therefore, necessary to develop two hypotheses in this study with a view of ascertaining the possible relationship between internal communication and the ED – organizational relationship. Thus, the 'No effect' hypothesis (H0) in line with stating that internal communication has no carry out relationship with the employee – organizational relationship; implying that the discovered relationship could have happened by mere chance. However, the first research hypothesis Ho1 postulates that internal communication has a correlation with the relationship between the employee and the organization; thus, the effectiveness of a communicator in the organization is positively related to the level of the employee's identification with the organization. The correlation and regression analysis were used in the examination of which hypothesis is supported by the data obtained.

4.2 Regression:

H0: Internal Communication is not a significant predictor of Employee – Organisational Relationship.

H2: Internal Communication is the significant predictor of Employee – Organisational Relationship.

Another set of hypotheses was formulated to evaluate the predictive power of internal communication on the employee-organizational relationship. The null hypothesis (H0) asserts that internal communication is not a significant predictor of the employee-organizational relationship, implying that changes in communication do not meaningfully influence this relationship. The alternative hypothesis (H2), however, suggests that internal communication is a significant predictor of the employee-organizational relationship, indicating that better communication practices within the organization are likely to strengthen employees' relationships with the organization. Regression analysis was used to test these hypotheses and determine which is supported by the data.

4.3 Chi Square:

- H0: Gender has no influence on Employee – Organizational Relationship.

H3: Gender has an influence on Employee – Organizational Relationship.

Hypotheses were also developed to assess the impact of gender on the employee-organizational relationship. The null hypothesis (H0) states that gender has no influence on the employee-organizational relationship, implying that the relationship between employees and their organization does not vary based on gender. The alternative hypothesis (H3) suggests that gender does have an influence, indicating that male and female employees may experience the employee-organizational relationship differently. Chi-square analysis was employed to test these hypotheses and determine whether gender plays a significant role in shaping the employee-organizational relationship.

- H0: Age has no influence on Employee – Organizational Relationship.

H4: Age has an influence on Employee – Organizational Relationship.

Theoretical postulations were made in order to test the contribution made by age in shaping the employee-organizational relationship. The null hypothesis or hypothesis one is that age does not affect the degree of the relationship between the employees and their organization and therefore, employees of different ages have the same relationship with their organizations. The proposed H4 contributes to the importance of age as a factor that modifies this relationship, meaning that different age groups of employees might have different levels of engagement with the organization. In order to validate these hypotheses, Chi-square analysis was used to establish if age influences the employee-organizational relationship.

- H0: Level of the employee in Organization has no influence on Employee – Organizational Relationship.

H5: Level of the employee in Organization has an influence on Employee – Organizational Relationship.

The hypotheses were developed in a view to determine whether the rank of an employee in the organization determines the employee-organizational relationship. The null hypothesis (H0) thus posits that the level of the employee in the organisation does not matter in this regards and that relation of the employees to their organisations does not change

depending on their rank. On the other hand, the alternative hypothesis (H5) posits that the level of the employee in the organization does affect it suggesting that several employees at entry, mid or senior position may not experience similar level of connectedness with their organizations. The following hypotheses were tested using chi-square analysis in a bid to determine if the organizational level of the employee influenced their relationship with the organization.

- H0: Work Experience of the employee in the Organization has no influence on Employee – Organisational Relationship.

H6: Work Experience of the employee in Organization has an influence on Employee – Organizational Relationship.

The Hypotheses were designed to investigate the impact of employees' work experience on the employee-organizational relationship. The null hypothesis (H0) states that work experience within the organization has no influence on the employee-organizational relationship, implying that the level of connection employees feel with their organization remains the same, regardless of how long they have worked there. On the other hand, the alternative hypothesis (H6) suggests that work experience does influence this relationship, indicating that employees with different lengths of service may experience varying levels of connection with the organization. Chi-square analysis was employed to test these hypotheses and determine if work experience significantly affects the employee-organizational relationship.

Statistics:

The various statistical methods were used in the study to analyse the collected data. In order to test the relationship between internal communication and the employee-organizational relationship as perceived by the employees' a correlation analysis was used. In order to find out the level of internal communication has towards forecasting the strength of the employee-organizational relationship, regression analysis was performed. Furthermore, the cross tabulation using the Chi-square test was used to test the demographic factors; age, gender, level, and work experience on the employee-organizational relationship.

Table 1: Statistical tools used

Sl. no	Objective	Statistical tool
1	To evaluate the correlation between Internal Communication and Employee - Organisational Relationship from an Employees Perspective.	Correlation
2	To analyse the predicting power of Internal Communication on Employee - Organizational Relationship.	Regression
3	To assess the influence of demographic factors on Employee - Organisational Relationship.	Chi- Square

5. DISCUSSIONS

H0: There is no significant relationship between Internal Communication and Employee - Organisational Relationship.

H1: There is a significant relationship between Internal Communication and Employee - Organisational Relationship.

Here the p value is 0.731, which is greater than 0.05, we Accept the Null hypothesis and accept the Alternate hypothesis. Therefore, there is no significant relationship between the Internal Communication and Employee – Organizational Relationship.

5.1 Regression:

H0: Internal Communication is not a significant predictor of Employee – Organisational Relationship.

H2: Internal Communication is the significant predictor of Employee – Organisational Relationship.

The significant value is 0.000, since p value is less than 0.05, we reject null hypothesis and accept the Alternate hypothesis.

i.e. Internal Communication is the significant predictor of Employee – Organisational Relationship.

$$\text{Employee – Organizational Relationship} = 0.694 (\text{Internal Communication}) + 0.506$$

Since Beta value is 0.731, we can say that one unit change in Internal Communication will lead to 73.1% change in Employee – Organizational Relationship.

5.2 Chi Square Test:

(1) Demographic Factor: Gender

Dependent Variable: Employee – Organizational Relationship

H0: Gender has no influence on Employee – Organizational Relationship.

H3: Gender has an influence on Employee – Organizational Relationship.

Here, p value is 0.000, since the p value is lesser than 0.05 we accept the Alternate hypothesis and reject the Null hypothesis.

Therefore, Gender has an influence on Employee – Organizational Relationship.

(2) Demographic Factor: Age

Dependent Variable: Employee – Organizational Relationship

H0: Age has no influence on Employee – Organizational Relationship.

H4: Age has an influence on Employee – Organizational Relationship.

Here, p value is 0.000, since the p value is lesser than 0.05 we accept the Alternate hypothesis and reject the Null hypothesis.

Therefore, Age has an influence on Employee – Organizational Relationship.

(3) Demographic Factor: Level of the employee in the Organization

Dependent Variable: Employee – Organizational Relationship

H0: Level of the employee in Organization has no influence on Employee – Organizational Relationship.

H5: Level of the employee in Organization has an influence on Employee – Organizational Relationship.

Here, p value is 0.000, since the p value is lesser than 0.05 we accept the Alternate hypothesis and reject the Null hypothesis.

Therefore, Level of the employee in Organization has an influence on Employee – Organizational Relationship.

(4) Demographic Factor: Work experience of the employee in the Organization

Dependent Variable: Employee – Organizational Relationship

H0: Work Experience of the employee in the Organization has no influence on Employee – Organisational Relationship.

H6: Work Experience of the employee in Organization has an influence on Employee – Organizational Relationship.

Here, p value is 0.000, since the p value is lesser than 0.05 we accept the Alternate hypothesis and reject the Null hypothesis.

Therefore, Work Experience of the employee in Organization has no influence on Employee – Organizational Relationship.

6. RESEARCH FOR FUTURE PROSPECTS

It would be beneficial to investigate longitudinal studies in the future that look at how shifts in communication methods over time impact employee engagement and loyalty in regard to internal communication and employee-organization relationships. Further insights can be gained by researching how digital communication technologies affect the calibre of internal communication, particularly in light of the growing trend toward remote and hybrid work arrangements. In-depth studies on industry-specific variations and the ways internal communication tactics in non-IT sectors impact organizational dynamics are also possible. Including a global perspective in the research might improve our understanding of how communication dynamics differ between cultures.

7. CONCLUSION

This research underscores the significant impact of internal communication (IC) on Employee-Organization Relationships (EOR) within the IT sector in India. Drawing from multiple studies and literature, our findings align with established research while contributing unique insights specific to the Indian context. Ref. [1] illustrates how organizational strategies influence decision-making processes. Similarly, in our study, IC strategies were critical for enhancing both communication efficiency and overall employee engagement, which in turn impacted organizational performance. Key elements of effective communication, such as communicators, goals, and channels, were highlighted in ref. [2]. These elements are crucial in shaping internal communication practices that foster stronger EOR. Our study also found that structured and targeted communication significantly influenced employee perceptions and loyalty toward the organization. The correlations between strategic human resource management (SHRM), IC, organizational attractiveness, and employee performance noted in ref. [3] were reflected in our findings, where effective IC improved employee satisfaction and reduced turnover intentions. The reliability of the Internal Communication Satisfaction Questionnaire (ICSQ), as confirmed in ref. [4], further supports the robust measurement of internal communication's effectiveness in our research.

Moreover, ref. [5] emphasizes the role of line managers in promoting organizational commitment through effective communication. This is consistent with our study's observation that leadership communication plays a pivotal role in reinforcing organizational trust and job satisfaction. Employee engagement (EE) and its positive influence on job satisfaction and turnover, as discussed in ref. [6], were validated in our context, demonstrating that high levels of

engagement driven by effective internal communication are key to retaining talent in the IT sector. Additionally, ref. [7] highlights the role of communication in facilitating positive organizational change. Our findings suggest that proactive internal communication enables smoother adaptation to change and enhances organizational resilience, particularly in dynamic industries like IT. Managerial communication's partial effect on organizational commitment, as noted in ref. [8], was observed in our research, where leadership communication styles influenced not only commitment but also overall EOR quality.

Strategic communication and its alignment with organizational theory and social theory, as explored in ref. [9], were integral in our analysis. We found that strategic communication practices that align with broader organizational goals contribute to a more cohesive and attractive work environment. Ref. [10] validated the importance of communication audits in assessing organizational communication maturity, which also emerged as a critical factor in our research. Regular communication audits help organizations identify areas for improvement and ensure that their communication practices remain employee-centric and effective. ref. [20] elaborates on EOR theory, particularly the concept of reciprocity and resource exchange between employees and organizations. Our study adds to this body of knowledge by demonstrating that internal communication is a vital resource exchanged within the EOR framework, ultimately fostering a reciprocal relationship that benefits both employees and the organization.

This research also concludes that demographic factors such as gender, age, level, and work experience do indeed have a significant impact on the Employee-Organization Relationship (EOR). These factors shape how employees perceive and interact with the organization, influencing their overall satisfaction and commitment. However, contrary to some prior studies, our research found no significant correlation between internal communication (IC) and EOR. This suggests that while IC is important for other organizational outcomes, demographic factors play a more crucial role in determining the strength of the EOR in the context of the Indian IT sector.

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