Effects of Communication on Employee Motivation: Study of Pakistan's State-Owned Oil Company

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The purpose of this study was to analyse the consequence of communication on employee motivation in public sector organization. The paper explores the relationship between effective communication and employees' motivation at workplace. It focuses on the way how effective communication and leader's behaviour can enhance the motivation of employees at workplace. This study is based on mono quantitative design with a sample size of 340 respondents' working in Karachi city of Pakistan from a state-owned oil company. Confirmatory factor analysis (CFA) was performed. The relationships were tested using structural equation modelling (SEM). The employees' motivation was set as the dependent variable while independent variable was selected as communication effectiveness. The results revealed a significant positive effect of communication effectiveness on employee's motivation.

Keywords: Effective communication; employee motivation; CFA; SEM

1. INTRODUCTION

Communication is defined as "the process whereby people within an organization give and receive messages" (Dwyer, 2005). To a great extent researcher states that communication in organization has significant effect on organizational performance. There are many ways of interaction and communication amongst them. In organization employees communicate with each other in different styles, information may move upward and downward between hierarchical levels or horizontally among the employees at the same level. Communication can pass on vide informal channels and formal channels as well. Effective communication is considered an important element of the organizations' culture that ought to inform employees of the challenges they might have to face in the industry; what is happening in the workplace and what the company's strategies are. Beyerlein et al. (2003) states it is the responsibility of the management to align support systems in the strategic design so that employees can communicate their needs and frustrations, as this will keep an organization functioning effectively and make the most of people who are an organization's greatest resource. Moreover, other studies have direct association with employee's job satisfaction (Klauss & Bass, 1982; Trombetta & Rogers, 1988). One of the biggest challenges for the leadership is to implement the effective human development strategies for the enhancement of the organizational performance. In oil companies, organizational performance appears in terms of high-

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quality services, and timely delivery of quality products for customer satisfaction. Due to stress on employee's performance, researchers in human resource management have always stressed upon the effective human resource policies for employee job satisfaction, communication and participation. In the current study researcher tries to probe the effect of communication on employees' motivation in state owned oil company in Pakistan.

1.1. Literature Review

1.1.1. *Communication*

Ccommunication is described as "transmitting news about the work from organization to employees and through employees" (Chen et al., 2005). Organizational communication comprises of internal and external communication (Pipa & Sîrbu, 2016). Organizational communication is essential for the conversation with people inside and outside an association. Internal communication occurs with personnel within an organization, and external communication occurs with the outsiders (Hikmah, 2015). Leader and worker communication are significant in the organizational communication method. The communication method is significant for identity of manger and worker (Ramona et al., 2012)

Ciobanica and Grecu (2014) highlighted that a communication check is a significant feature of communication progression of any organization. A communication check contains the inspection of an organizations' communications amongst the communication source and its spectators (Ciobanica & Grecu, 2014). The communication progression affects its spectators' results, and real communication needs the usage of policies with graciousness (Manik & Hutagaol, 2015). Leaders' effective communication with workers needs collaborating with clearness on a constant basis. Chitrao (2014) discovered that workers of organizations do not need communiqué measures wherever they remain unable to ask questions from their leaders. Additionally, the employees need consistent communication with all stages of leaders (Chitrao, 2014). Day et al. (2014) claimed that employees' communication of their desires to their leaders is important for their leaders' rejoinder to those requirements. Effective executives in advanced states participate in several communication events (Ramona et al., 2012). Effective communication needs steadiness (Dwumah et al., 2015; Mishra, 2015). Tonapa, (2013) explains that organizational communication has its behavioural influence, in added way the effect arises to communicant in one's conduct, performance, and motivation of work. The importance of the study is behavioural, and the effects of the communicant here also support the preceding studies i.e. Rajhans, (2012), Tonapa, (2013). Leader must have clear and effective interaction with employees which must be regular and constant. Chitor (2014) stated that employees of few organizations, in some industries are not interested in communication provisioning where they are unable to interact with their leadership at all level in terms of any clarification however, employees at levels need interactions with leaders on regular basis where they have no gap of communication. Moreover, they need continuous and positive feedback from leaders about their needs (Day et al., 2014). In advance and developed countries leaders have continuous and frequent interaction with their employees and they arrange such forums and activities which provide them opportunities to frequently interact with their leadership (Dwumah, Akuoko, & Ofori-Dua, 2015; Mishra, 2015). Arguing to the stance another hypothesis has been formulated.

1.1.2. *Employee Motivation*

It is the motivation of the employees that comes from the work they do. The standing of motivation, especially intrinsic, discloses that it can lead to improved organizational performance. The position of motivation, especially intrinsic, demonstrates itself in the fact that it can lead to the conduct that is imitated in high act of the organization. Hence, leaders can utilize motivational systems to support and please the desires of workers and to concurrently inspire higher work performances (Daft, 2008). Moreover, the communication plays a very important role to clearly convey the organizational goals to the employees to gain the maximum motivation and productivity.

This is not an easy job but it is an art more than science. Simple definitions of leadership are not easy and simple to answer but it exists in the domain of leadership. The process of leadership is very complex in nature. It is a process by which one person influences others towards the accomplishment of defined objective as per the organization's mission. Moreover, it directs the organization to behave in certain way as per the defined objective and guides to be more consistent and rational. If we assigned these duties to an individual called leader, he or she will apply their leadership traits (Values, Belief, Ethics, Knowledge, Character and Skill) for helping and guiding others towards the accomplishments of the desired organizational objectives.

2. METHODS

The current study is based on state owned oil company, Pakistan State Oil. As per available record more than 5000 employees are currently working with the company. However, for the current study all three level of management i.e. (top, middle and lower) were studies and analysed. Keeping in view of the workload and availability of employees, total 400 employees were selected and questionnaires were distributed amongst them. Total 340 questionnaires were received with responses and found correct with complete data, they were included for the analysis to test the mediating relationship between variables thus representing 78% response rate. The final sample included 21.8% participants from top level management, whereas 43.8% and 34.4% from middle and lower levels respectively.

3. RESULTS

The summary of the respondents has been tabulated above. The data tabulated above shows the outline of the respondents' profile. The study comprises of 75 percent male and 25 percent female employees. Most of the selected employees were of 25 to 35 years. The age group of 36-45 years includes 23.5 percent of the targeted population. 14.4 percent employees are aged between 46-55 years old. 55 years and above group comprises of 3.2 percent of the targeted population. Moreover, table explains the level of management of the employees included in this research work. Most and at largest level the group is of middle level employee's representative of 43.8 percent of total targeted population. 34.4 percent respondents were selected at lower level of the management and 21.8 percent from top management level. As far as qualification is concerned 92.1 percent employees are graduates, 5.6 percent are undergraduates and 2.4 percent were qualified at master level.

Table 1

Demographic Profile of Respondents (N=340)

	Frequency	Percentage (%)
Gender		
• Male	255	75
• Female	85	25
Age		
• Above 55 years	11	3.25
• 46 to 55 years	49	14.4
• 36 to 45 years	80	23.5
• 25-35 years	200	58.8
Management Level		
• Lower Level Management	117	34.4
• Middle Level Management	149	43.8
• Top Level Management	74	21.8
Qualification		
• Undergraduate	19	5.6
• Graduate	313	92.1
• Masters	8	2.4

Source: Author's calculation on SPSS.

Table 2

Reliability Statistics

Construct	Cronbach's Alpha	No of Items
Extrinsic Motivation (EM)	0.844	14
Intrinsic Motivation (IM)	0.720	6
Communication	0.940	9

Source: Author calculation on SPSS.

The reliability statistics show that Cronbach's alpha for extrinsic motivation was 0.844 and intrinsic motivation was 0.720while it was 0.940 for communication. These values were greater than 0.70and are considered as acceptable. Cronbach's alpha values were considered reliable for the internal constancy of the instruments (Kline, 2011).

3.1. Confirmatory Factor Analysis

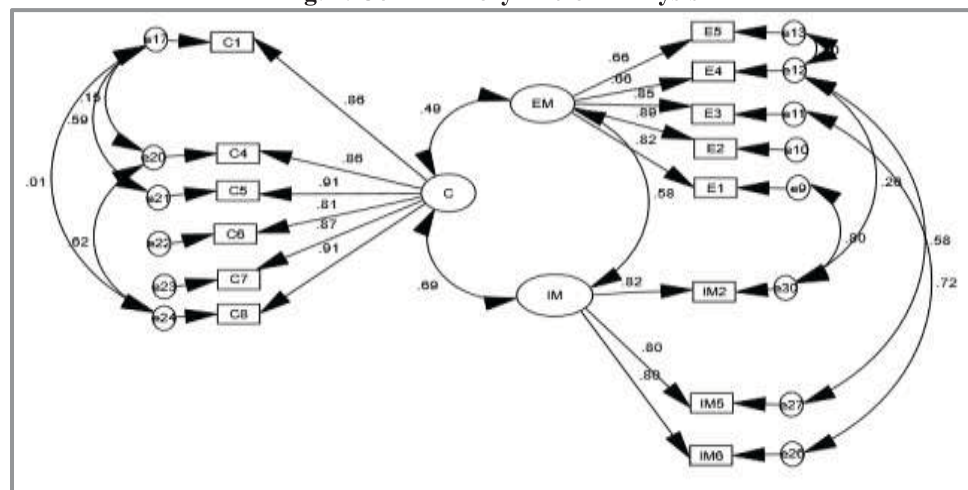**Fig. 1. Confirmatory Factor Analysis**

Table 3

Model Fit Summary

CMIN/DF	IFI	CFI	RMR	RMSEA	P
3.868	.904	.903	.019	.092	.000

Significance level: 0.05

     The model fit summary shows that the Chi Square and DF by the goodness of fit indices i.e. CMIN/DF, CFI, GFI, and RMSEA were verified to check model fit and significance of variables. In the model chi square test was 858.606 with *DF*= 222, CMIN/DF was 3.868 , IFI was 0.904, CFI was0.903 whereas RMSEA was 0.092.

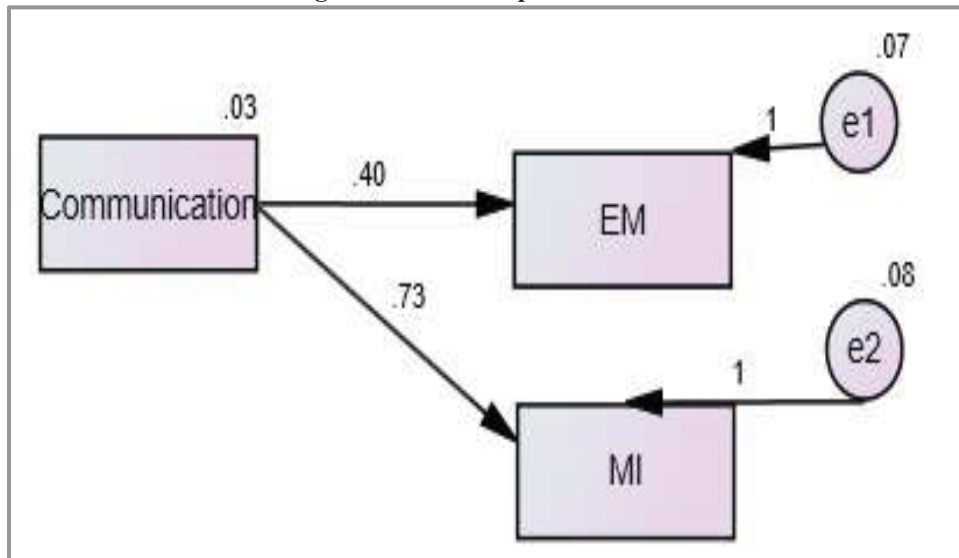### 3.2. Structural Equation Modelling (SEM)

Fig. 2. Structural Equation Model

Table 4

Results of Path Analysis

		Estimate	Estimates	S.E	C.R	P
EM	<---	Communication	.400	.089	4.467	***
MI	<---	Communication	.727	.097	7.525	***

*** Relationships are significant at α-level = 0.05.

     For hypothesis testing SEM analysis was carried out in AMOS. Results of path estimates are given as below. The paths with significance value less than alpha 0.05 are considered as significant paths. It is established that all communication has important effect on components of motivation; energy and dynamism (EM) motivation and intrinsic motivation.

4. DISCUSSION

It is a self-explanatory phenomenon that the effective communication plays a very important part in worker's inspiration to enhance their performance. In modern era real time revolutions are taking place which deals with latest developing realities of tough staffing, increased workload, extended working hours and greater stress upon the performances, flexibility and risk taking. The employee's communication has a very vital role to play in the management efforts; in re-engineering the employees mystified by changes; and inform them by motivating them who adapt more effectively and readily. In current scenario companies are run by multi-nation, cross-culture and cross functional players which show little patience for undisputed authority. This is the situation where the leadership has to handle the employees with the art of persuasion and the efforts to ascertain the exact emotive state of the addressee is very essential. This tie means that it is not sufficient for message to be a one-way ticket (Torrington & Hall, 1991). The communication must be two-ways, escalating and de-escalating. The effective communication in downward direction is best source to communicate about the decisions taken by higher management. This communication will not only boost the morale of employees but also enhance their motivation level, trust, better inter departmental relationships and organizational productivity. This will also help to overcome the misunderstanding between employees and management. Moreover, it is also a helping tool to bring the consistence in employee action and stimulate greater source of commitment on the behalf of employees. Similarly, upward communication will help the leaders and management to understand the problem of employees their personal issues that have an effect on the employees. In addition, to above all, new ideas of creativity will also help the management to formulate employee-oriented policies.

Leaders must be able to provided healthy working set-up to employees and create opportunities for the development of free and open communication environment which motivates the employees in their job satisfaction. Leader must have a positive approach towards development of character-building approaches to motivate the employees at works places. Leader must be able to support his employees in professional grooming and for the enhancement of their personal skills essentially required organizational growth.

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