

An Analytical Study Of Communication Strategies Of Organizations

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ABSTRACT:

Communication is one of the major factors that can either make or break an organization. In the literature, communication strategies that impact perceived performance of organizations are lacking empirical evidence. This study empirically evaluated three communication strategies that could affect organizational performance, including open door policies, group effort and organizational structure. The researcher studied the relationship between communication strategies and organizational performance. In this research project, the researcher has examined the effects of communication strategies on organizational performance in Indian IT companies. The convenience sampling method was used to select 178 employees from lower-level management. The study also sought to learn how open-door policies of communication influence performance. In addition, it assessed how group effort enhances organizational performance. It also sought to analyse how organizational structures can improve organizational performance. It determined the roles of formal communication channels. In IT organizations, communication strategies play a central role in high-performance.

Keywords: Communication Strategies, Indian IT industry, organizational performance, organizational structure

1. INTRODUCTION

“Communication is the process of transmitting and understanding information between two or more people” (McShane & Von Glinow, 2005). In organizations, communication plays an essential role because the flow of information up and down the organizational hierarchy. The foundation of organizations today is effective communication (Witherspoon, 1997; Von

Krogh et al., 2000). As part of a business plan, communication strategies outline how to communicate with various groups of people. One business may have multiple strategies for different types of people, such as clients, investors, competitors, or employees. Companies may even have an internal communication strategy for internal communication. They are used to determine what information to share with clients or investors, as well as how that information should be presented.

In communications strategy, a vision and a set of well-defined goals are outlined, explained, and promoted. By creating a unified "voice," you can link diverse activities and goals in a way that makes sense to your partners and stakeholders. "The ultimate purpose of communication is to facilitate a change in behaviour in order to achieve management objectives," according to the World Bank, 2001. An organization's performance problems are both symptoms and causes of communication problems. Poor design of organizations, inefficient processes, bureaucratic systems, unaligned rewards all contribute to poor communication.

The major objective of this paper is to identify the impact of communication strategies on the organizational performance, organizational structure and group efforts, especially among Indian IT firms.

2. Profile of the IT industry in India

In 1967, India's IT services industry began when Tata Consultancy Services partnered with Burroughs, beginning India's IT services exports. A pioneer of today's IT parks, SEEPZ - the first software export zone - was established in Mumbai in 1973. More than 80 percent of the country's software exports came from SEEPZ in the 1980s. As soon as the Task Force was formed, it produced an extensive report on the state of technology in India and an IT Action Plan with 108 recommendations. Because the Task Force drew on the experiences and frustrations of state governments, central government agencies, universities, and the software industry, it could act quickly. It was also consistent with the thinking and recommendations of international bodies such as the World Trade Organization (WTO), International Telecommunication Union (ITU), and World Bank. In addition, the Task Force incorporated Singapore's experience and that of other nations that have implemented similar programs. Rather than inventing anything new, we sparked action on the consensus that had already evolved within the networking community and government.

In FY2017, India's IT-BPM industry is forecast to grow by 8% to USD 154 billion. Due to the disruptive nature of emerging technologies, the industry is reinventing itself to become the Digital Solutions Partner for the world.

With the ever-changing landscape of IT, it is important for people to be aware of the size and value of this industry. India has over 3 million people working in the IT industry, which accounts for about 7% of GDP - that's 21% higher than any other country in the world. The average salary for an Indian IT worker is \$8,700 annually (compared to \$70,000 in Europe), but with a huge population and low cost-of-living this means there are more opportunities available. Some of the major Indian IT companies include TCS, Wipro, Infosys and Satyam. India is a prominent player in outsourcing and BPO services.

Communication is a major aspect of any business venture, whether it be an hourly wage rate or a million-dollar budget. Communication without proper knowledge of the field will bring devastating results on both ends. Communication is key to educating individuals in their career path so that they can excel within their respective industries. It is important for companies to communicate with their employees so that they can get the most out of them. If you give your workers the proper tools to do their job, they will be more productive.

The Indian IT industry is highly competitive, which can be viewed as both an advantage and disadvantage for the industry. It Can benefit the companies in terms of competitiveness in the market where multiple companies are vying for a share of a shrinking pie. For employees, this also means that they must be always on top of their game. A slight lag in performance can cost a person their job.

3. Literature Review & hypothesis building

Corporate behavior begins with a strategy. Profit maximization is also the result of this strategy. Strategy is by definition the starting point for corporate behavior, so it can be used as a tool for learning. Having a plan helps determine how resources will be applied, what the objectives are and what the measures of success will be. As part of a business plan, communication strategies detail how to communicate with different groups of people. In addition to the 'five forces' model, these strategies also incorporate other theories. It is possible for some of these strategies to be both effective and ineffective, but effective strategies can benefit a corporation in various ways. Making sure the corporate strategy is

followed by every employee ensures that everyone knows what to expect and how to behave. These strategies can also facilitate a corporation's goal-achieving process. Depending on the type of customer, investor, competitor, or employee, a business may have multiple strategies. There are some of these that are implemented formally, while others serve only to guide the behaviour of those involved. In fact, some organizations have an internal communication strategy for communicating within the organization itself. The strategies are used to determine what information to share with clients and investors, and how that information should be presented. In high-performance organizations, communication strategies, systems, and practices play an important role. Information, understanding, and knowledge are essential to the success of organizations. Effective change and improvement require a comprehensive and thoughtful communication strategy. An effective communication strategy provides focus and direction for the Communication function. At the functional organizational level, a practitioner plays the role of the communication manager. A strategic communication plan is the result of a strategic thinking process by senior communications practitioners and top managers, taking strategic decisions on how to deal with, and communicate with, strategic stakeholders. In strategic communication, ideas are presented clearly, concisely, and persuasively. Management must master communication skills and use them strategically, that is, according to the organization's values, mission, and strategy.

3.1 Organizational Performance

An integral part of any performance improvement program is communication. Organizations eager to accomplish strategic goals establish effective communication strategies. Employee engagement and alignment with the organization's goals are crucial components of a well-defined strategy.

Richard et al. (2009) claim that organizational performance consists of three specific areas: financial performance (profits, return on assets, return on investment); product market performance (sales, market share); and shareholder return (total shareholder return, economic value added).

Ricardo (2001) argued that performance management can include a variety of criteria-based and relative normative measures, education, training, and concepts, including management

development and leadership training, to foster the skills and attitudes necessary for this. Accordingly, from the above literature review, the term "performance" should be more broadly defined to include effectiveness, efficiency, economy, quality, consistent behaviour, measures (Ricardo, 2001).

In high-performing organizations, communication strategies, systems, and practices play a critical role. Knowledge, information, and understanding are at the core of the organization. Communication is a vital part of any successful change or improvement. Effective communication is the key to getting things done. The right strategy ties into the organization's objectives. Strategic alignment tends to improve performance. Communicating effectively can influence the changes and improvements that occur in an organization. This keeps everyone focused on goals and priorities while providing feedback on progress. Organization learning and innovation are directly influenced by effective communication strategies, systems, and practices. The above literature helped the researcher to derive the following hypothesis:

H1: Communication strategies have a high impact on organizational performance.

3.2 Organization Structure

According to Thompson (1965), organizational structure refers to the pattern of relationships, authority, and communication within an organization. Similarly, Goldhaber et al. (1984) defined organizational structure as "the relationships and roles that exist throughout the organization". An organization's structure is defined as the established patterns of relationships among its constituents. Organization structure, in this context, refers to the web of relationships among individuals and positions within an organization. In Jennifer and Gareth's definition of organization structure, it is the formal system of task and reporting relationships. This system controls, coordinates, and motivates employees so that they cooperate and work together to accomplish the organization's goals. Structure is really the framework for the organization.

Communication effectiveness is also affected by the organization's authority structure. A person's status and power difference in the organization determines how comfortable they will be communicating with another. The accuracy of the communication will also be

affected by the difference in authority. A clerical worker and a company president may well converse with some strained politeness. A company's organizational structure determines how it communicates. An organization's hierarchy either encourages feedback, open-mindedness, and efficient communication or stifles, controls, or restricts the ability of subordinates to freely express their thoughts, feelings, and ideas.

An organization's structure influences its communication patterns. Communications can be directed upwards, downwards, or horizontally. Communication from the top to the bottom is composed of policies, rules, and procedures. From lower to higher levels, upward communication consists of performance reports, grievances, and other information. Horizontal communication is primarily coordinated and occurs on the same level between departments or divisions. A variety of stakeholders outside the organization communicate with employees inside the organization. The above literature helped the researcher to derive the following hypothesis:

H2: Communication strategies have a high impact on the organizational structure.

3.3. Group Effort

To reach a common goal, a group must consist of at least three people who interact over time, rely on each other, and adhere to shared rules of conduct. The definition of a group according to Gerald Wilson is, "a collection of three or more individuals who interact about a common problem or who may exert mutual influence over each other".

Though managers are responsible for implementing organizational communication policies, employees should be involved as well. Everyone within the organization is affected by issues such as conflict resolution measures and communication delivery methods. Therefore, employee input and consensus will help ensure that the population is satisfied with the way communication is delivered and received at the workplace.

H3: Communication strategies have a high impact on the group efforts.

4. Methodology

1. The study focused on the effects of communication strategies on organizational

performance in 10 IT organizations that have their offices in the Mumbai Metropolitan Region.

2. 178 employees who were lower-level managers were chosen for the purpose of the study, using convenience sampling.
3. A descriptive research design was used in this study.
4. The researcher designed and validated a 10-point each questionnaire for assessing the impact of communication strategies on:
 - a. Group Effort
 - b. Organizational Structure
 - c. Organizational Performance
5. Checked the questionnaire for validity using Cronbach's Alpha.
 - d. Seek responses on a 5-point Likert Scale to gauge the level of impact (From "no impact at all" influential to maximum impact)
6. Conducted the survey
7. Summarized the responses, and analysed the results

Hypothesis:

H1: Communication strategies have a high impact on organizational performance.

H2: Communication strategies have a high impact on the organizational structure.

H3: Communication strategies have a high impact on the group efforts.

The study was conducted across IT companies who have offices in the Mumbai Metropolitan Region.

Scheme formed for testing of hypotheses

- a. Responses were collected under 3 sections:
 - a. Group Effort
 - b. Organizational Structure
 - c. Organizational Performance

of the questionnaire on a 5-point scale (No impact at all, Less Impact, Average Impact, High Impact and Maximum Impact),

- b. The Likert responses were considered for calculating the mean values and an One sample T Test was used to compare the actual mean with the hypothesized mean.
- c. Since the researcher has used non-parametric data for a parametric test (One Sample T test), a more stringent alpha level of 0.01 was chosen (Murray, 2013).
- d. In order to check the internal validity of the questionnaires, Cronbach alpha values were calculated.

5. Results

1. Firstly, the Cronbach's Alpha values were calculated for the 3 items under consideration. Following were the results:

Table 1. Reliability Statistics

Item	Cronbach's Alpha	N of Items
Group Effort	.810	10
Organizational Structure	.798	10
Organizational Performance	.871	10

It can be seen in the above table that in all the cases the value of Cronbach's Alpha was greater than 0.7. That the questionnaire holds good as far as reliability is concerned.

Table 2. One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Group Effort	178	4.1966	1.07388	.08049
Organizational Structure	178	4.1685	1.01108	.07578
Organizational Performance	178	4.1573	1.01846	.07634

The above table shows the mean impact score. (4 meant "High Impact"). In all the cases the mean value is higher than 4. However, the standard deviation is above 1 which is noteworthy.

Table 3. One-Sample Test

Test Value = 4

	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Group Effort	2.443	177	.016	.19663	.0378	.3555
Organizational Structure	2.224	177	.027	.16854	.0190	.3181
Organizational Performance	2.061	177	.041	.15730	.0067	.3080

The one sample T test was conducted with a Test Value (hypothesized mean of 4, as 4 was for “High Impact”). The mean difference is positive and the P values is lesser than 0.05. The table shows that the assumed mean and actual mean are statistically different. i.e. the actual mean is higher than the assumed mean or the test value.

This shows that:

- Communication strategies have a high impact on organizational performance.
- Communication strategies have a high impact on the organizational structure.
- Communication strategies have a high impact on the group efforts.

6. Conclusion

Communication strategies have a high impact on organizational performance. This is not to say that communication won't occur without effective strategies. In most cases, however, these approaches will produce the best possible outcomes for an organization. Communication should be thought of as an essential component for providing excellent customer service and having satisfied employees.

Communication strategies have a high impact on the organizational structure. For instance, when companies are not organized in this manner, employees are not able to communicate efficiently and effectively with each other. This creates many problems for an organization, such as poor productivity due to employees working inefficiently together. Although organizations that employ effective strategies tend to be more successful in the long-term than their counterparts, these methods do take time and effort to develop into strong ones.

We live in a world of constant communication. It's a necessary part of our daily lives - from our friendships to our professional relationships. Most people believe that there are certain strategies that group members should follow to succeed in achieving their goals, but the truth is much more complex than this.

Companies that do not have effective strategies in place are more likely to fail than those that do, because of the difficulties in communication. Organizational structures are made up of the chain of command, which establishes who has authority over whom. If there are disruptions or breakdowns in this chain of command, even for a short period of time, it can result in serious consequences. A simple breakdown in communication can result in poor coordination between departments within an organization. This can lead to lower productivity and other issues that may be costly to the organization.

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