

Impact of Upward Communication on Employee's Morale in Banking Sector of Pakistan

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Abstract

The banking industry has drastically developed during the last few decades. The increased competition and changes in management has evolved the management styles as well. This study deals with the management of upward communication in the banking sector and its impact on the morale of employees. This study is mainly focused on two main variables; communication and morale. Communication is the link that keeps the organization attached. It is also the main instrument that can be used to motivate the employees. Hence we can say that the communication is a factor that directly impacts the morale of employees in any organizational setting including the banking sector. It is a descriptive study in nature and questionnaires were used to collect the primary data. This data was collected from four big banks of Pakistan. The results inferred from the study conducted that in the banking region, upward communication is considered on average level. It has the potential for competitive zones but still needs certain upgrading. The study also shows that weak areas in the upward communication are having an undesirable impact as it is resulting in reduced employee morale in the organizations.

Key Words: *Up Ward Communication, Employee Morale, & Management Styles.*

1. Introduction

Communication can be explained as a very important factor of any working place, which plays a vital role in its survival / achievements. Most of the researches focused on communication. To a minor level, it has more lately addressed an-upward and 360 degree appraisal systems. As compared to that, the character of informal

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upward communication endures to be extensively neglected, especially when it concern the conduction of opinions acute of managerial belief. A little analysis of the sense making heuristics engaged by both managers and non-managerial staff that arouses the former to disregard much of the low-key critical upward communication they receive, and the latter to overwhelm its transmission in the initial place. Therefore it can be suggested that managers sometimes over commit to specific progressions irrespective of whether they portend hostile or sound for the organization concern. In doing so they demonize those who belong to defamed groups or those who embrace contrary value system. We argue that the consequent elimination of critical upward communication (CUC) leads to iatrogenic phenomena – i.e. organizational problems that are derived from the treatment regime that has been prescribed, rather than from a pre-existing condition. Implications for practice and further research are considered (Tourish and Robinson, 2006) This is manifested in the fact that employees have different needs and different priorities and thus managers must be able to apply different motivational tools to satisfy the different employee needs and wants. The inner drives within an individual are needs to be activated to give rise to appropriate behavior, where such behavior could lead to the fulfillment of a need such as job satisfaction. (Ngaithe, 2016). This is manifested in the fact that employees have different needs and different priorities and thus managers must be able to apply different motivational tools to satisfy the different employee needs and wants. The inner drives within an individual are needs to be activated to give rise to appropriate behavior, where such behavior could lead to the fulfillment of a need such as job satisfaction. (Ngaithe, 2016).

Today the banking industry has become one of the most regulated industries of Pakistan which records continuous growth. As of 2016, the sector of banking consists of thirty six kinds of banks that are functioning commercially. This number includes twenty five banks that are locally private, four banks that are commercial banks on public sector, seven banks that are dealing internationally and four specialized banks with a total number of 9,087 branches all over the country. From the above given details of banks, six banks are operating their functions according to the principals of Islamic Banking in present year (Pervaiz. A, 2016).

1.1. Communication

Communication can be defined as a procedure of carrying the information. It has messages that are conveyed by the sender and the same messages are received by the receiver, then finally receiver gives feedback on those messages. Feedback is the end step of communication process. (Tourish and Robson, 2006). Subordinates of the study are known to be the givers while superiors are known as receivers. The supervisors give feedback to the subordinates to form the results for the study.

There are two classifications of communication: verbal and nonverbal. In this study, priority is given to verbal communication while nonverbal is taken secondary to the verbal procedure. (Murphy et al, 1997).

1.2. Upward Communication

Upward communication is commonly defined as the movement of communication from the lower base of the order to the higher base. The movement is seen as transmission of communication from low workers to senior staff, then to the manager, progressing to the head of department etc. It forms a series of chain which initially started from lower base and ended to the higher order. (Johansson , 2008).

Work progress is checked by the management while issues seen in that work are solved by formulating and implementing organizational planning. Management is the power house of upward communication as it governs any changes brought in the program, it also deals with the changes in the overall strategies. Management only makes changes when lower staff agrees with the new changes. Such pattern must be adopted in all the organizations. (Rabey, 2001)

1.3. Morale

Morale is considered to be a response. Morale occurs with a response and willingness of an individual that can be formed during a situation. The motivation comes within if one choses to do so. Morale passes from the people's righteous actions to the great return of those actions in the future ahead.

The employee's morale shows the culture inside any organization in relation to the environment of working area. The employees work hard; continue long working hours with honesty and responsibility when they are happy with the comfortable environment. So the culture of organizations can be evaluated by utilizing the amount of determination assessed by employees work interest. Behavior of employer with its workers and the perception of these employees working in that organization can also be determined. (Easy Communication, 2017).

The morale of employees is stated in the form of association that takes place among groups of individuals in any organization. Employee of high morale is the title given to the one who works hard throughout and is happy with the organization and the work given to him, also the quality of work reflects the employee's satisfaction. As compared to the employee who shows low quality work, less productivity is titled as employee of low morale. Since it is essential part of any organization, the managers should work hard in maintaining high morale of the employees. (Nelson, B, 2012)

Different researches in the past have explored different aspects of communication of factors that lead towards the morale of employees in different organizational settings. But currently high projection is given to research in communication which is involved in examining the official and unofficial ways of communication and its respective attitude. It sheds light on behavior and culture demonstrated in the organizational communications. (Robert L. and Minter, 2010) . In upward communication, feedback receptiveness is identified to calculate the fact of employees willingness on having feedback from the senior officers. If the level of this receptiveness is higher, it is considered as a positive factor. If the level of this receptiveness is higher, it is considered as a positive factor. It means that the employees are motivated to receive feedback from their managers. This response, when received, will boost the morale of the employees as they will consider it as their integration in the organization. (Robert L. and Minter, 2010).

The current study is focusing on morale of employees and upward communication by finding their status and the path for its up-gradation in the banking sector of Pakistan. The findings of the current study are beneficial to the management team of the banking sector, also to the employees of the banking sector. The study

claims significance for the policy makers regarding upward communication based on the opinions of the employees that can enhance their morale and level of motivation. Study findings can be equally important for the academia.

2. Literature Review

Research has clearly shown the relationship between subjective well-being and work performance, even though there is debate over the causality of that relationship (i.e., does subjective well-being cause higher work performance or does greater work performance lead to subjective well-being?). Regardless, researchers and practitioners would agree that having employees who are productive and have high subjective well-being is valuable (Russell, 2008).

During the last half of preceding century a new field called the “Organizational communication” has been emerged as its own field; ultimately it combine both the theories i.e. behavioral sciences and communication. Its main purpose is improving the communication environment in an organization; and it deals with the consumption of perceptions and ideas from human related subjects. (Robert and Minter, 2010).

The feedbacks and comeback being provided or delivered by workers for communication also draws a very clear picture regarding their morale. Researches call this factor as “responsiveness” of employees. If the level of responsiveness is on the higher side, the moral of the employees will also be greater. Hence it is said that responsiveness improves the morale of employees in an organization. (Robert and Minter, 2010)

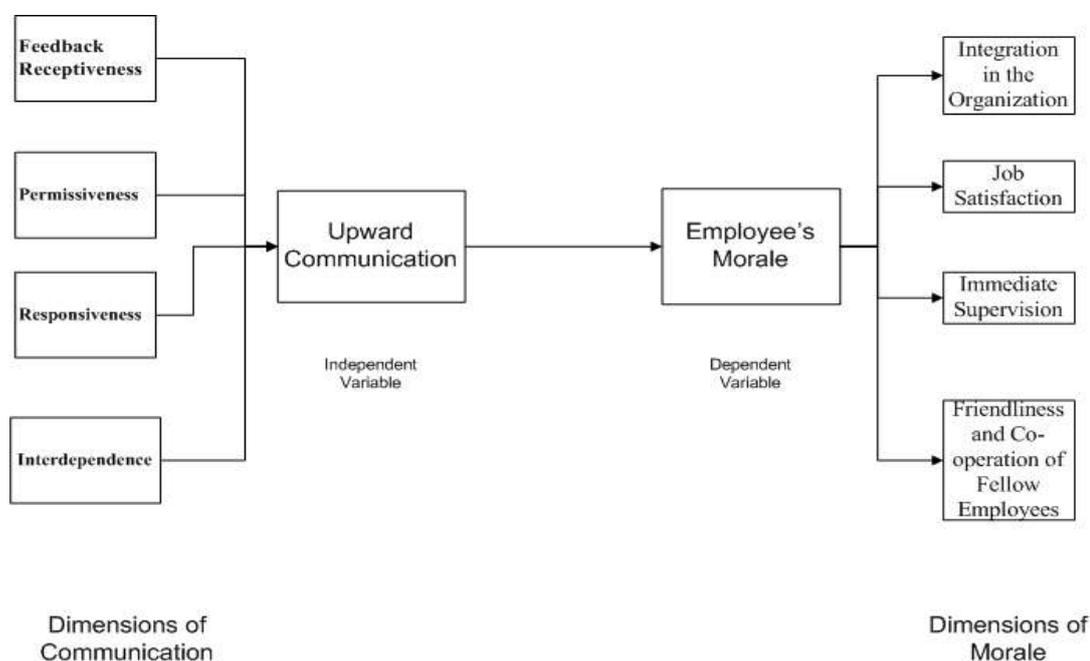
For organizational change, the enhancement of self-esteem of staff via communication is very vital (Lewis, 1999). Though some studies have established the communication importance but not implemented practically. (Putnam and Corren, 2004). Managers should encourage their subordinates to adopt an out of the box thinking approach. New ideas of the employees should be welcomed and appreciated. This approach is referred to as permissiveness in literature and is used for measuring the extent or magnitude of workers and by this they also identify their encouragement and stimulation from management of an organization for initiating new endorsements,

ideas and proposals. Permissiveness is an important tool that can be used to enhance the morale of the employees. The “postmodern” theory for organizational management are considered as public entities that is regularly progressed and is creating themselves through discussions prevailing in people and such conversations has affected emotions and relationships of all workers. (Robert L. and Minter, 2010)

The effect of these conversations is intensified when they take place between a subordinate and his/her superior hence leading to the increase or decrease in the self-esteem of the staffs working in respective institute. (Baarge, 2003).

2.1. Conceptual Framework

On the basis of above mentioned literature, the following conceptual framework has been drawn.



On the basis of the above literature, following hypotheses have been developed:

H₁ = Feedback receptiveness improves the morale of employees

H₂ = Responsiveness improves the morale of employees

H₃ = Interdependence improves the morale of employees

H₄ = Permissiveness improves the morale of employees

3. METHODOLOGY

The banks included in this study are HBL, ABL, UBL and MCB. The data was collected from 20 branches operating in the Khyber Pakhtunkhwa province of Pakistan. Data was personally collected from the employees of the banking sector. 100 employees were given the questionnaire, 75 of them responded.

3.1. Primary Data Sources

A structured questionnaire was used for data collection comprising of fourteen questions related with different patterns of communication followed by the employees for upward communication, and the responses and effects on their morale. The questionnaire used during this research is adopted from the research of (Robert L. and Minter, 2010) therefore it is considered as a reliable tool.

3.2. STATISTICAL TOOLS

SPSS (*Statistical Packages for the Social Sciences*) was used for data compilation and analysis. Descriptive statistics including Mean, standard deviation, minimum and maximum was determined as well as the techniques of correlation and regression were used to infer a result through SPSS.

4. Analysis

The quantitative analysis of the data collected is explained below.

Table 1: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Morale	75	2.50	3.00	2.9889	.06895
Feedback	75	2.00	2.50	2.4933	.05774
Responsiveness	75	2.50	3.00	2.9933	.05774
Interdependence	75	2.50	2.50	2.5000	.00000
Permissiveness	75	2.50	3.50	3.4867	.11547

Table 2: Correlation Matrix of Variables

	Morale	Feedback	Responsiveness	Interdependence	Permissiveness
Morale	1				
Feedback	.547 (**)	1			
Responsiveness	.547 (**)	1.000(**)	1		
Interdependence	.(a)	.(a)	.(a)	.(a)	
Permissiveness	.830 (**)	-.014	-.014	.(a)	1

** Correlation is significant at the 0.01 level (2-tailed).

The above table displays the inter-variable correlations and it demonstrates that all the values are positively related with each other as the values of all correlation coefficients are positive. All the correlations are significant at confidence interval of 1%. The table shows that nearly 54% of the employees in the banking sector who go through feedback receptiveness and responsiveness have positive impact on their morale. The percentage is up to 83% when we discuss permissiveness.

4.1. Analysis of Hypotheses

The hypotheses extracted from the theoretical framework developed were tested using correlation and linear regression techniques. This was done as all the variables are assessed on a continuous scale and the data collected also met the assumptions for parametric testing.

Table 3: Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.547	.299	.289	.05812
2	.547	.299	.289	.05812
3	.830	.688	.684	.03875

Predictors: (Constant), FEEDBACKR, RESPONSIVENESS, PERMISSIVENESS
 Dependent Variable: MORALE

Table 4: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	F	Sig.
		B	Std. Error	Beta			
	(Constant)	1.360	.292		4.661		.000
1	Feedback	.653	.117	.547	5.581	31.148	.000
2	Responsiveness	.653	.117	.547	5.581	31.148	.000
3	Permissiveness	.495	.039	.830	12.702	61.333	.000

a. Dependent Variable: MORALE

4.2. Feedback receptiveness improves the employee's morale

The findings have depicted a significant positive relationship between feedback receptiveness and morale and the relationship is stronger as ($r=0.547$, $p<0.05$). The relationship is supported to be further significant and regressed with $R^2 = .299$, $F=31.148$ ($p<0.05$) and Beta for regression = 0.547, where $t=5.581$ ($p<0.05$).

4.3. Responsiveness positively affects Morale

The findings have depicted a significant positive relationship between responsiveness and morale and the relationship is stronger as ($r=0.517$, $p<0.05$).

4.4. Interdependence improves the morale of employees

This hypothesis claimed that interdependence improves the morale of employees. However, there was no correlation between the independent and dependent variable in this case. Hence, the linear regression for this hypothesis could not be calculated.

4.5. Permissiveness positively affects Morale

The results have portrayed a noteworthy positive relationship between permissiveness and morale and a strong relationship exists as ($r=0.830$, $p<0.05$).

5. Discussion

The primary objective of current research study was to study prevailing upward communication level of banking sector of Pakistan. The received responses showed average level of upward communication practices in banking sector that is very positive while discussion of issues and concerns in working setting with superior management. (Robert, 2010).

The first hypothesis proved with the help of quantitative analysis shows that feedback receptiveness has a positive impact on employees' morale. This positive impact has previously been discussed in studies of Robert (2010) and London and Wohlers (1991).

The literature suggests that the response of lower level employees towards the communication initiated by the upper level of management is also due to the motivation or morale. (Robert L. Minter, 2010). The second hypothesis has proved this claim of the previous researches as it demonstrates that responsiveness improves the employee's morale.

Another factor on which the third hypothesis was based is called interdependence. The findings have rejected the hypothesis regarding interdependence which claimed that interdependence improves the morale of employees.

For development of platforms which will provide effective suggestions, upward communications is the tool that will provide assistance, as well as evidence gathering procedures and reduction of quantity of conflicts which arise in working environment. The people will also get chances of expression of their dissatisfaction for harmful issues of organization. Such process will enhance the satisfaction and higher self-esteem of the staffs in that work environment (Shnehar, 1990).

6. Conclusion

Communication is no doubt a very important aspect of any type of an organization. This research helps in concluding that it has a deep impact of self-esteem among staff also. Several aspects of upward communication such as feedback receptiveness, responsiveness and permissiveness has a positive impact on the improvement of employee's morale in the banking sector of Pakistan. Interdependence is another dimension of communication which is rejected in the case of upward communication but it can be important when lateral or downward communication is discussed. This is another area of research which further research studies can explore.

7. Recommendations

The expected importance is not been given to the Up-ward communication in different organizations in Pakistan, as most of them failed in policies announcements.

For improved efficiency, high importance to be given to the communication in a competitive sectors i.e. the banking sector.

The following steps may improve the communication quality among banking sectors:

1. Open door policy to be adopted for employees in order to receive their full response without any trouble.
2. For better exchanges of communication between the lower and upper staff of a sector, a substantial feed-backs to be provided to low scale employees regarding their behavior and tasks done.

3. Presentation sessions to be oriented for all employees so that unique ideas and policies could be formulated for integration into the organization.
4. Fear of consequences should be neglected as it create a lot of hurdles in receiving proper feedbacks from employees.
5. A friendly and working relationships should be developed among employees for a better exchange of accurate information excluding hesitation, some other steps can also improve the assistance of co-workers like :
 - a. Different groups should be given assignments and should be shuffled in order to diminish the grouping dominancy, this will create good interaction between employees.
 - b. The rotation of job can give a good experience to an employee for gaining more and more knowledge in each aspect of banking.
6. The employees should be facilitated with the easy source of communications like email; for keeping timely and updated information records.
7. The lower staff should be empowered by the management system as it will develop a job satisfaction environment and achieving expected morale of the employees.
8. The practices used and followed by other banking sectors for communication can be a standard for new policies for banks involved in this research study.

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