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INTERNAL COMMUNICATION SATISFACTION AS AN EMPLOYEE MOTIVATION TOOL IN THE RETAIL SECTOR IN PUNE

Pradnya Chitrao^{a*}

*^aSymbiosis Institute of Management Studies (SIMS), Range Hills Rd, Opp EME Workshop, Kirkee Cantt,
Pune 411020*



Abstract

Today's work force is inundated with useless information from multiple sources. Ensuring connectivity in such a rapidly changing environment is a major challenge. This is especially true of the Retail Industry where attrition is very high. The survey studies Retail organizations' internal communication systems for motivating employees and for ensuring customer satisfaction. It studies whether employees have access to accurate and relevant information necessary for performing effectively their job roles. "Filtering" the noise that leads to information overload has to be done by every organization. Information overload always prevents relevant information which will engage them and derive maximum productivity from reaching employees. The study revealed that all employees prefer face-to-face interaction and that interpersonal, dialogic communication remains important at levels in an organization.

Keywords: Communication, satisfaction, employee motivation, performance, improvement, face to face interaction, interpersonal dialogic communication

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* Corresponding author.
E-mail address: pradnyac@sims.edu

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Information flow is the lifeblood of your company because it enables you to get the most out of your people and to learn from your customers

Bill Gates ('Business at the Speed of Thought', p.6 of Introduction)

1. Introduction

Communication within any organization is crucial for its smooth functioning. It is the tool with which people strive to attain organizational goals and objectives and ultimately the common core goal of profit and progress. Ineffective communications may lead to misunderstandings, lack of information, lower performance and more employee rotation. The inability of managers to effectively communicate with their employees leads to poor performance. The same is true when employees do not trust their managers because there will be no proper upward flow of crucial information. Good communication leads to increased job satisfaction, safety, productivity, and profits; it decreases grievances and turnover. Companies that attach higher importance to internal communication by setting up a separate ICC department usually have higher levels of employee engagement. Effective internal communication is thus essential for addressing organizational concerns.

The Indian retail industry is one of the fastest growing industries in India and consists of both organized & unorganized sectors. It is the fifth largest in the world. Earlier, it was mostly unorganized; but today, with the changing preferences of the consumers, it is becoming more popular as well as organized. Today, it is expected that it will grow at a pace of 25-30% annually.

2. Literature Review

A retailer is someone who cuts off or sheds a small piece from something. Retailing is thus the set of activities that markets products or services to final consumers for their own personal or household use. The word "Retail" originates from a French-Italian word. It does this by organizing their availability on a relatively large scale and supplying them to customers on a relatively small scale. A retailer is thus a Person or Agent or Agency or Company or Organization who is instrumental in reaching the Goods or Merchandise or Services to the End User or Ultimate Consumer. Retailing involves customer orientation, coordinated effort, value- driven, and goal orientation. The total retail sales in India are expected to grow to US\$ 785.12 billion by 2015, according to the BMI India Retail report for the third quarter of 2011. The key factors behind the forecast growth are robust economic

growth, high disposable income with the end-consumer and the rapid construction of organized retail infrastructure. The report identifies potential in India's tier-II and tier-III cities along with the expansion in middle and upper class consumer base, A growing vehicle population providing improved mobility and a greater availability of personal credit also contribute to a trend towards annual retail sales growth of 12.2 per cent. Indian retail sector accounts for 22 per cent of the country's gross domestic product (GDP) and contributes to 8 per cent of the total employment.

In today's knowledge economy communication plays a vital role in the conduct of business of any organization. Increasing growth in the retail industry and the ensuing competition has made it important for retail entities to manage relationships with different stakeholders like customers, investors, employees, and suppliers through corporate communication. Internal communication is today as important as external communication, and is often a tool for motivating employees. Indeed, for many companies in mature or declining marketplaces a sound internal communication strategy often aids the eternal drive for greater efficiency. Internal communication and training can help transform key employees into 'walking embodiments' of the core values, and key touch points into opportunities for fulfilling the brand promise.

Communication satisfaction results in job satisfaction and other imperative work outcomes. Internal communication is the bilateral exchange of information, ideas and feelings that results in positive dialogue and action throughout organisational ranks. Internal communication activities should ideally focus on better informing and engaging an organisation's workforce. How such news and information is received and discussed amongst the employees that ultimately leads to action on their part will ultimately have a positive or negative influence on business performance. Employees who opine that they are better informed about their organisation become more personally involved in the business and usually generate higher quality work.

Good internal communication improves productivity; reduces absenteeism; increases levels of innovation, and there are fewer strikes and reduced costs. Internal communication is a discrete and continuing task at every level within an organisation. Everyone from new recruits to the most senior director has a role to play in 'the communication network' of an organisation. Communication is thus an ongoing function that needs to be directed consciously. This study views internal communication as the operational function that needs to be consciously facilitated and encouraged in an organisation's entire 'communication network'.

3. Objectives of the Study

- To understand the concept and importance of Internal Communication System followed in Retail Organizations
- To analyse the strategies used by some Retailers for practising effective Internal Communication System and to determine the most effective strategies for managing its
- To understand the role of Internal Communication System in managing employee relations and motivating them in the Retail Sector.

Internal communication is a “sense-making” activity that employs language genres like news, feature-writing to capture and build corporate brand identity. Motivated employees are very important for the continued success of an organization. In fact, many corporations have managed to turn around their fortunes because of employee commitment and their motivation levels.

4. Research Methodology

4.1. Primary Research

Qualitative research method was used as the effectiveness of internal communication in day to day business and motivating employees of retail stores can more effectively be studied through direct questions. Some select retail stores in Pune namely, Pantaloons, Big Bazaar, Archies, Esprit, More, Lifestyle were studied. Interviews were conducted in which questions regarding the day to day internal communication in those retail stores were asked. So data was received through personal interviews.

4.2. Secondary Research

- a) Secondary research regarding internal communication, employee motivation, and retailing was conducted
- b) Research Surveys conducted by the batch of 2011-2013 of SIMS, Pune in partial fulfilment for the Master’s degree in Business Administration in some retail stores in Pune

The researcher wished to find out whether internal communication in retail stores was used to motivate the employees and whether it really ended up in motivating them and helping them serve customers better.

5. Findings

5.1. Primary Sources

The survey conducted at all the six retail stores revealed that

▶ Employees want regular face to face interaction with top and line management.as it enables them to ask questions and get clarifications, and also makes them feel valued because of the time taken by higher level executives to personally interact with them. They don't like formats wherein they cannot question line managers. Top-down tools like e- mails and newsletters are used for reinforcing key messages. So multiple mediums are used and these do not replace face-to-face contact for important messages.

▶ 84 percent agreed that daily briefings are made about the tasks to be done for that day.

▶ 80% accepted that a proper reporting has to be made at the end of the day.

▶ 54 % of the employees said that they received regular updates about the changes in the organisation

▶ Top and line management agreed that the vision of the organization has to be driven home to the employees in order that they understand the importance of their individual work for achieving it.

▶ 90% employees said it is necessary to talk to employees daily.

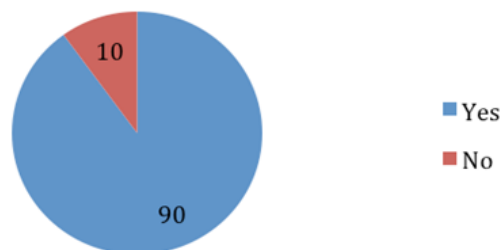


Figure 1. Need to Talk to Employees

▶ Line managers have to be actively involved in the day to day communications as the employees like to learn the news from their immediate seniors.

▶ Listening to suggestions is essential.

▶ Feedback is very useful for motivating employees.

▶ About 73.33 employees agreed that their interaction with seniors is very effective and motivating whereas only 26.67 percent disagreed. All managers also said that they get good results after motivating their subordinates.

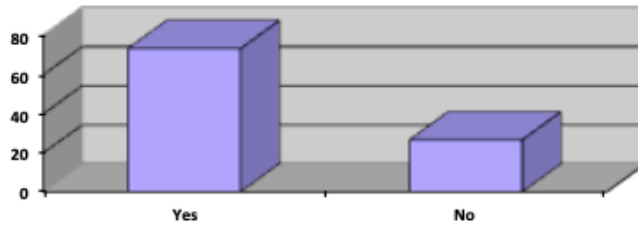


Figure 2. Interaction Between Seniors and Subordinates

► Most of the employees said that they give their suggestions in personal interactions rather than through emails. No one ever sent their suggestions by post.

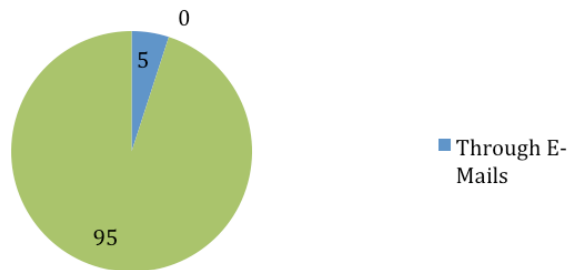


Figure 3. Ways of conveying ideas to employer

► Even when not giving feedback, employees tend to communicate 65 percent of the time orally face to face and 10 percent of the time by phone

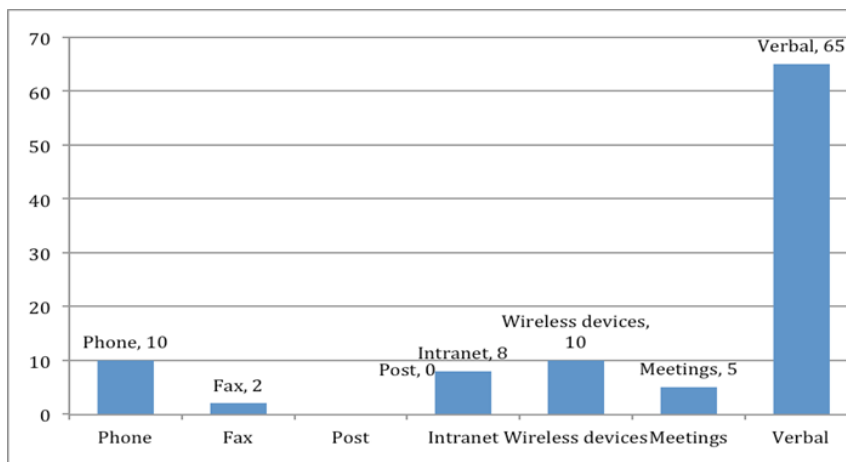


Figure 4. Various day to day communication techniques used in organisation

► Employees are updated about upcoming events mainly through group meetings and e-mails (about 30%). They are occasionally informed by telephone or notice (20%)

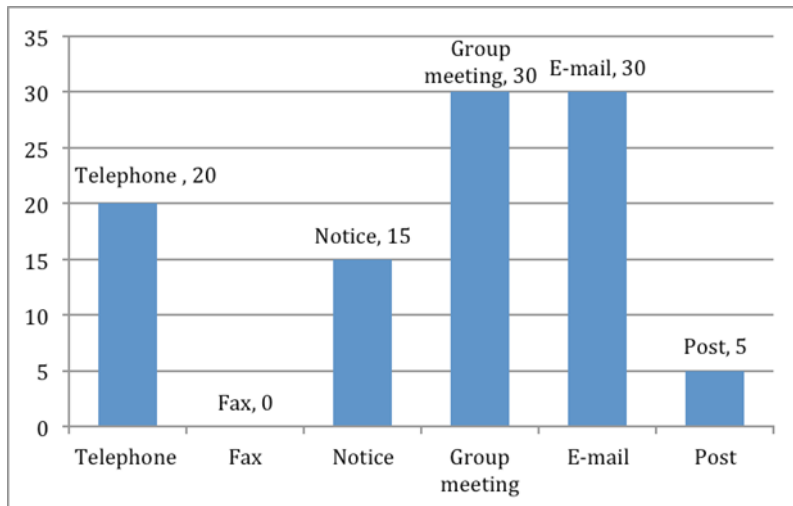


Figure 5. Ways of receiving/informing about upcoming events

► 50% of the employees agreed that their inputs were considered for decision making while 30% felt that occasionally their inputs were considered whilst taking decisions, and 20% said that their opinions were not taken before taking decisions.

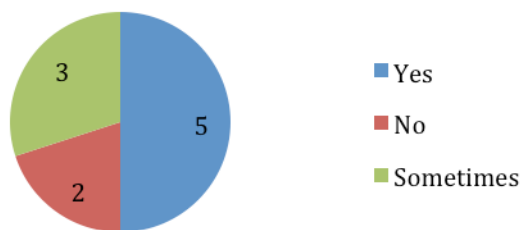


Figure 6. Employee Inputs Are Taken

5.2. Secondary Sources

Student managers of SIMS (Batch of 2011-2013) found in their survey at Big Bazaar that 50% of the employees agree on the point that the organization communicates clearly, a consistent mission to employees. 50% also stated that their organization communicates promptly and regularly with its employees. 76% of the participants agreed that their feedback

is taken seriously and also implemented by management regarding the daily operation. 68% of the participants said that their supervisors were approachable for doubt clarifications. 40% of the participants strongly agreed that they are directly blamed for any communication gap, and that the team is not held responsible for it. 56% of the participants said that they always made inquiries about the new and daily operations being planned for the future by the organisation and that they always enthusiastic about learning about the new developments.

Another group from the same batch surveyed the internal communication scenario at Esprit. There they found that the employees are quite satisfied with the way the organization communicated with them. The employees said that they were involved to some extent in the decision making. E.g., they are consulted by the store manager for changing the store layout. This makes the employees feel an integral part of the organization and motivates them. As soon as they join, the employees are required to undergo a complete training program in order to understand the vision and purpose of the organization which in turn helps them contribute better. During the training they are also taught how to communicate with customers. 30% of the employees strongly agreed that they are allowed to use their creativity while 20% disagreed about being allowed to be creative. The remaining 20% did not have any opinion.

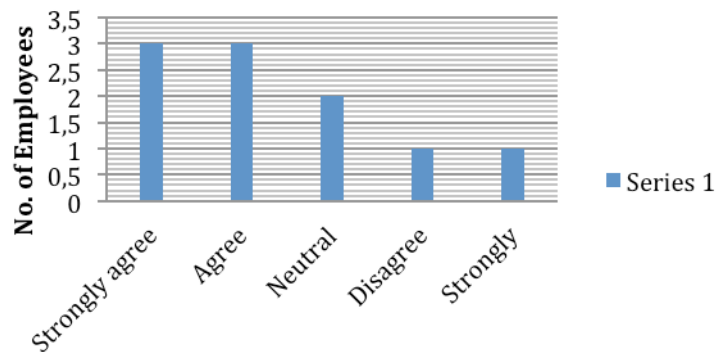


Figure 7. Employees' point of view

A third group of students of the same batch surveyed a More retail store about their internal communication. The group found that the majority of their managers resort to direct confrontation to motivate employees in their direct line of authority. The employees, in turn, were satisfied with the modes of communication used by them. For their daily activities, the employers communicate directly with their employees every day to lay down goals and objectives. The employees are allowed to participate to a great extent and the most common mode of communication is oral communication. However, e-mail is used for formal

notifications and mass broadcasts. When asked as to how well in advance upcoming events, are made known to them, 75% of the employees said that they get to know about them more than seven days in advance. 15% said that they get to know them two to three days before their implementation.

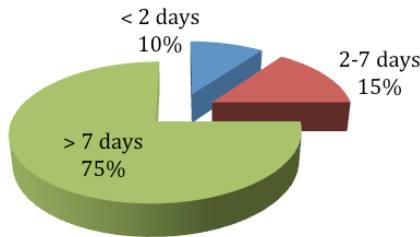


Figure 8. Awareness about upcoming events in advance

Still another group carried out a survey at **Lifestyle**. They found that most of the employees preferred to be updated on the changes in daily responsibilities and schedules by phone, as it is easily accessible and convenient. Notices on boards were the second choice. The students also found that most of the complaints forwarded by the employees to the superiors are serviced quickly. This speaks well of their communication system. The employees said that they find it very easy to reach out to other employees (co-workers and superiors) if they have to communicate something important during work. They also said that the **reward system** is well communicated. It was found that **interaction between seniors and sub-ordinates** is effective and motivating.

Another group of student managers conducted a survey at **Pantaloons** and found that 70% of the group meetings lasted at least for 20 to 30 minutes. The Stores Manager there attributed the smooth functioning of employees and business at Pantaloons to the time spent for group meetings. Though face to face individual communication is considered to one of the most efficient & effective tools of communication & is informal, yet employee publications & notice boards are also desired for cherishing information regarding company & the employees. Pantaloons, has developed an important internal communications strategy for motivating employees to develop professionally. First, an attempt is made to know the staff's understanding of the Council and their role in it through an internal audit. Senior managers and members are interviewed to get their perspectives. Inspection reports, residents' surveys, focus groups, and youth or citizens' panels are checked to know the external perception of the Council. All these measures give the council a holistic view of the connectivity among employees in the store. This helps the internal communications' team in

developing an internal communications strategy wherein the internal communications objectives are set. The strategy involves a lot of two-way communication wherein the promise to “listen to the staff” is followed by concrete action. This has resulted in the formation of trust. The Council prepared the employees for the Comprehensive Performance Assessment through staff events like “Tea and Biscuits” Sessions, the posting of information on intranet and the release of weekly e- bulletins and posters to staff. The management ran a campaign to boost low staff morale and to improve the internal as well external poor perception of the council. It set up focus groups to explore issues and hosted an online question and answer forum. It launched an annual staff celebration event ‘Its All About You’ along with a new induction scheme namely a ‘Get to Know You’ session with the Chief Executive. The Council won Local Government Group Excellence in Communications ‘Best internal communications’ Award in 2008.

A sixth group of SIMS student managers of Batch of 2011-2013 conducted a survey at Archies. They found that the management follows high ethical communication standards with respect to the employees. The latter actively participate in developing objectives for themselves, their team and the company as a whole. Employees enthusiastically participate in day to day business operation, and are aware of their responsibilities toward the organisation.

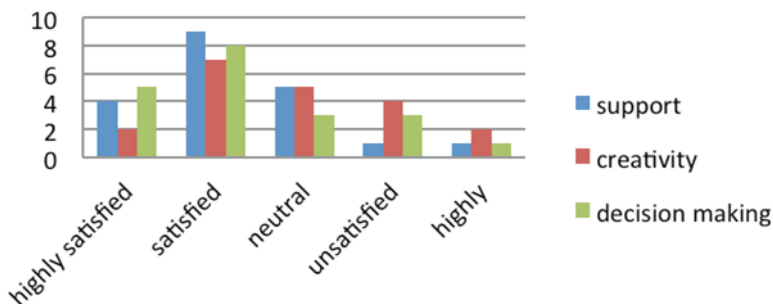


Figure 9. Support from Superiors

Consequently, employees said that they were motivated to work despite comparatively lower salary packages than other retail stores.

6. Conclusions

Both the primary research as well as the surveys conducted by SIMS student managers of Batch of 2011-2013 show that internal communication is crucial for motivating employees to perform better and to attend to customers thereby increasing customer footfalls.

The findings indicate the need for daily communication between employees and line managers as also regular communication between the employees and top management. When the vision of the organization and their role in fulfilling it is made clear to them, employees are motivated to work towards its attainment. Taking the employees' inputs before taking decisions makes employees take ownership for the decisions finally taken by the management and to strive for their successful implementation. Feedback to employees is necessary for them to know what is correct and what needs improvement and they can work accordingly. It was also found that oral communication in the form of face to face interaction or telephonic conversations is more effective for day to day business, while key messages are reinforced through e-mails and newsletters namely through the written medium. The findings also emphasize the fact that it is important for the management to develop an internal communication strategy for motivating employees to develop professionally and also to feel appreciated. Internal communication is seen as a "sense-making" activity that employs language genres (e.g. news, feature-writing) to capture and construct corporate brand identity. Wherever employees felt every major news was being communicated to them, they experienced what may be termed as "communication satisfaction". This communication satisfaction in turn was found to have a positive correlation with job satisfaction and other key organizational variables like organizational identification and organizational commitment, satisfaction with work relationships.

7. Recommendations

It is very important to engage employees in the **vision** and the **short and long term objectives** of the organization. It is also necessary to have a good **action plan** that will tie in directly with the strategy, and will set out the activities, targets, deadlines and resources needed to implement each element of the strategy. The Action Plan should ideally be a working document that is updated and revised as targets are met and new objectives are identified. It is equally critical for management to be **transparent** in their communication, and to give the employees both the good as well as the bad news. Retail stores should also **celebrate the achievements of employees** in order to motivate them to remain longer with the respective store and help curb the attrition rate in this sector. It is also essential to hold **staff events** in order to communicate cultural change programmes or council achievements or priorities. They are instrumental in bringing staff together that may not have much contact normally and in making senior managers more visible to employees. They act as some form of workshop or breakout sessions so that less confident people have a smaller, 'safer' environment where they are more likely to participate actively.

Evaluation of internal communications should be put in place right at the start so that activity is regularly monitored and evaluated for its success. Feedback of key stakeholders like managers, staff and members, should regularly be taken on the internal communications methods. If, for example, in the staff survey, satisfaction ratings do not significantly increase after the first year of a cultural change programme, the programme itself is ineffective and therefore needs to be reassessed. Individual communication methods should be monitored and evaluated regularly. Feedback should always be acted upon as this improves employees' confidence.

In short, a good internal communication system works in the interests of both the employees as well as the retail organization.

8. Limitations of the Study

The survey was restricted to retail organizations in Pune city (Maharashtra State, India). Further, it was difficult to get the employees to answer the questions properly as they were sometimes too busy attending to customers and their daily responsibilities.

9. The Way Forward

There is a clear need for further empirical research. Views of customers also need to be taken to understand the effectiveness of internal corporate communication on employee brand performance and to see whether the customers' perceptions are similar to those of employees.

Acknowledgements

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