

**THE INFLUENCE OF EMPLOYEE COMMUNICATION ON EMPLOYEE  
COMMITMENT AT CAPITAL AIRTIME LIMITED IN KENYA**

BY

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## DECLARATION

I declare that this research project is my original work and has not been presented before for the award of any degree in any other university.

Signed.....

Date.....

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PG/MA/0024/2013

This research project has been submitted for examination with my approval as the university supervisor.

Signed.....

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## **DEDICATION**

I dedicated this project to the memory of my parents the late Ruth Adhiambo Ogwang and the late Philip Ongudi Ogwang.

## **ACKNOWLEDGEMENT**

I would like to first and foremost express my appreciation to my supervisor Dr. Charles Nyambuga for his unwavering kindness in giving me advice, constructive criticism, and firm guidance since the beginning to the completion of this academic work. I am also greatly indebted to Capital Airtime Limited for allowing me to conduct a study in their organization. This work would not have been successfully completed without the moral support from my beloved and caring family (Sabina Atieno, Maureen Amondi, Christian Noel Ogwang, William Otieno and Daniela Adhiambo). Finally, I give thanks to God for making good things possible.

## **ABSTRACT**

Communication is linked to work commitment because they go hand in hand to form a solid business foundation best for organizational growth. Unlike most organizations that create structures in order to be able to understand their employees and what is important to them in relation to information about their jobs and the organization, CAT has no written communication strategy which could have led to lack of communication, under communication or miscommunication. Without proper communication it's possible that the organization could experience increased turnover, absenteeism, or dissatisfied customers. CAT has been in business for over 13 years and geographically covers close to 35 counties in Kenya yet little had been done to improve the communication policy in order to curb the possible disadvantages of poor internal communication. The main objective of the study was to investigate the influence of employee communication on employee commitment at CAT. In order to achieve the above objective the study was guided by the following specific objectives: to identify the extent to which employees of CAT engage in communication with each other at the same level and different levels in the organization, to explore the various internal communication practices that influence employee behaviour at CAT and to determine whether internal communication can help predict employee commitment at CAT. Conceptually, this study was based on the systems theory which describes an organization as a set of parts or subsystems that interact within a boundary, and explains communication as the most important factor accounting for total behaviour of an organization, and that the dynamic of an organization can be best understood by understanding its systems of communication. The study adopted a descriptive research design using both primary and secondary data collection methods. The tool that was used is questionnaires. Yamane model was used on a study population of 131 employees from the selected regions of study. Data was obtained by sampling 98 participants from administrative department, security department, sales department and accounts department. Proportional stratified random sampling technique was used. Data was analyzed with the help of data analysis software namely SPSS version 20.0 and the outcomes of the analysis were presented using tables, pie charts and bar charts. Permission was sought from respective authorities in CAT to conduct the research and to objectively analyze data collected. Since employee communication matters in strengthening the existence of an organization, the research findings were expected to be beneficial to both scholars and researchers of communication, media studies, public relations and organization policy makers. According to the researchers findings it was concluded that if the organization highlights each individual's capability and contribution, provides opportunities for them to participate in decision making, and encourages them to be more involved in the organizational operations, then the employees will tend to commit at higher levels to the organization because they either want to or ought to do so. The researcher also recommended that CAT should develop a communication strategy.

## TABLE OF CONTENTS

TITLE.....	i
DECLARATION.....	ii
DEDICATION.....	iii
ACKNOWLEDGEMENT.....	iv
ABSTRACT.....	v
TABLE OF CONTENTS.....	vi
LIST OF ABBREVIATIONS AND ACRONYMS.....	viii
OPERATIONALIZED TERMS.....	ix
DEFINITION OF KEY TERMS.....	x
LIST OF TABLES.....	xi
LIST OF FIGURES.....	xiii
LIST OF APPENDICES.....	xiii
<b>CHAPTER ONE</b> .....	1
INTRODUCTION.....	1
1.1 Background of the Study.....	1
1.2 Statement of the Problem.....	6
1.3 Aims and Objectives.....	6
1.4 Research Questions.....	7
1.5 Significance of the study.....	7
1.6 Scope of the Study.....	8
1.7 Theoretical Framework.....	8
<b>CHAPTER TWO</b> .....	10
<b>LITERATURE REVIEW</b> .....	10
2.2 Organizational Communication.....	10
2.3 Organization Culture.....	11
2.4 Internal Communication Practices.....	12
2.5 Directions of Communication: Downward, Upward, Horizontal Communication.....	13
2.6 Employee Turnover.....	20
2.7 Organizational Commitment.....	22
2.8 Communication and Commitment in the Organization.....	25
2.9 Conclusion.....	26

<b>CHAPTER THREE</b> .....	27
<b>RESEARCH METHODOLOGY</b> .....	<b>27</b>
3.1 Introduction.....	27
3.2 Research Design .....	27
3.3 Study Area .....	27
3.4 Study population .....	28
3.5 Sampling Procedure and Sample Size .....	28
3.6 Data Collection Instruments.....	30
3.7 Reliability and Validity .....	31
3.8 Data analysis .....	31
3.9 Ethical considerations .....	32
<b>CHAPTER FOUR</b> .....	33
<b>DATA PRESENTATION, ANALYSIS AND DISCUSSION</b> .....	33
4.1 Introduction.....	33
4.2 Demographic Characteristics of the Sample.....	34
4.2.1 Employee Communication Levels .....	35
<b>CHAPTER 5</b> .....	46
<b>SUMMARY, CONCLUSIONS AND RECOMMENDATIONS</b> .....	46
5.1 Introduction.....	46
5.2 Summary of the Findings .....	46
5.3 Conclusions.....	48
5.4 Recommendations .....	49
<b>REFERENCES</b> .....	50
<b>APPENDICES</b> .....	55
APPENDIX 1: LETTER OF REQUEST TO CAPITAL AIRTIME LIMITED. ....	55
APPENDIX III: QUESTIONNAIRE .....	57

## **LIST OF ABBREVIATIONS AND ACRONYMS**

**CAT**           Capital Airtime Limited

**MDG**           Millennium Development Goals

## **OPERATIONALIZED TERMS**

**Employee:** is a person hired to provide services to a company on regular basis in exchange for compensation through wage, salary, fee or payment.

## **DEFINITION OF KEY TERMS**

**Communication:** is the act of conveying intended messages from one entity or group to another.

**Organizational Communication:** is the context of an organization, members gather, send, and interpret relevant information about the organization and the changes occurring within the organization.

**Internal Communication Practices:** is the function responsible for effective communications among participants within an organization

**Direction of Communication:** is how communication flows in an organization this could be vertically, horizontally, upward or downward

**Organizational Commitment:** is a work related attitude of employees towards the organization as a whole.

## LIST OF TABLES

Table 3.1: Planned Participation Levels .....	30
Table 4.1: Response Rate .....	33
Table 4.2: Communication Levels .....	34
Table 4.3: Summary of Different Communication Levels in the Organization .....	37
Table 4.4: Internal Communication Practices.....	39
Table 4.5: Channels of communication.....	41
Table 4.6: Employee Commitment.....	43

## LIST OF FIGURES

Figure 4.1: Communication Levels.....	35
Figure 4.1.1: Communication Levels.....	37
Figure 4.2: Communication Recommendations .....	39
Figure 4.3: Communication Enhancement .....	40
Figure 4.4: Channels Of Communication .....	42
Figure 4.5: Employee Commitment.....	44

## LIST OF APPENDICES

Appendix I: Request Letter .....	55
Appendix II: Introduction Letter .....	56
Appendix III: Questionnaire .....	57



## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the Study**

This study was intended to explore the interrelations between employee communication and employee commitment at Capital Airtime Limited. Since 2013 to early 2016 the management of Capital Airtime Limited has stated their concern on high rate of employee turnover in boardroom meetings (CAT, 2013, 2015 in minutes) thus lack of employee commitment at CAT. This problem has always been linked to unavailable stock, lack of proper working resources, better offers from competitors, employee misconduct, negligence or ignorance of rules and regulations as written in the company employee handbook (2011) that is used as a guide in handling matters in the organization. However, employees have never thought of linking this concern to communication since the organization has no written communication strategy that allows them to meet employee needs and increase workplace knowledge. This could have led to under communication, lack of communication or miscommunication which could be problematic because its known to breed uncertainty and doubt; leading employees to question their jobs and responsibilities and probably lead to high employee turnover.

Communication in companies is the key to having a successful organization since companies that communicate well with their employees end up with more loyal and motivated workers. According to Ranya (2009), good communication and feedback between the management and employees are essential in building employees' commitment in an organization. Many previous researchers have proved that vertical communication regarding tasks and organization help to enhance organizational commitment, whilst horizontal communication regarding social and emotional topics does not affect organizational commitment significantly (Tubbs & Moss, 2008; Robbins et al., 2010; Greenberg & Baron, 2008; Dvorak, 2007; Goldhaber, 1993; George & Jones, 2002). However, there seemed to be a lack of examination of the relationship between vertical communication and organizational commitment; moreover there seemed to be lack of

examination of the relationship between communication and organizational commitment, organizations no longer focused only on practical and formal management and communication.

Mumby (1988) observed that communication in a wider sense includes the creation of meaning and understanding. He observed communication as an institution form that articulates the meaning of formations which when habitualized over time provided the background of common experience that gave organization members a context for their organized behaviour. Communication is not simply a vehicle for information, but rather the very process by which the concept of organizing comes to acquire consensual meaning. Organizing will therefore continuously be created and recreated in the act of communication among members of an organization. Increasing attention was paid to the interpersonal interaction among employees in the organization. People seemed not only to formally disseminate information related to work and their organization, but also talk about themselves and their emotions. Talking about non-work related topics for social reasons occurred commonly among members of organizations. Through this kind of communication, social networks were built among employees in the organizations. As a result of the organization members' curiosity, interpersonal attraction, and social interaction, informal communication have become a common feature of the social networks in today's organizations (Kreps, 1990).

Scholars have argued that informal communication in an organization is the second most frequently used channel to communicate, although it is not usually the preferred source of reliable information in the organization (Tubbs & Moss, 2008). In terms of communication in organizations, while organizations rely primarily on formal communication others seemed not to discourage informal communication. One researcher had suggested that gossip plays a part in improving bonds between employees, especially when it stimulates productivity and helps the organization when the gossip is about how other groups in the organization are doing better (Sostek, 2006; Tubbs & Moss, 2008).

Good communication also has positive impact on the financial performance of the organization (Yates, 2006) and it is very important for an organization to retain and increase employees' commitment thereby increasing employees' communication satisfaction. As the organization

grows and becomes successful, it usually develops a culture that distinguishes it from other organizations and that is one of the reasons for its success. In almost any organization around the globe, the organizational culture would consist of the uniquely patterned beliefs, feelings, values and behaviour that connect the members to the organization and simultaneously distinguish that organizational culture from the cultures of other organizations. Obviously, cultural dimensions are reflected in various forms in the external life of a society or an organization, as well as in the values and beliefs held by its members (Deal and Kennedy, 1982).

Ineffective communication about job expectations, inability to listen well and ask the right questions respectfully, organization culture and workers involvement in the decision making process are some of the factors that should be taken into account to reduce the turnover rate. Surline (1999) argues that as the labour market gets smaller, companies become more competitive in their compensation structure making organization culture more important than ever. Employees are less committed to their organizations, they want more involvement in decision making and they see in their work a realization of themselves and this is a fundamental reason for their leave incase their job doesn't satisfy them (Surline, 1999). According to CAT Human resource manager: CAT lost a total of 76 employees due to various reasons between the year 2013 and 2015 thus 21, 29 and 26 employees left CAT in respective years.

According to Michael et al (1999) Employee participation is defined as: the degree to which employees perceive they have involvement and or influence in the decision-making process in their organizations that might have impacts on their jobs, whether such impacts may be direct or indirect. Employee involvement could be enhanced if certain critical factors are present in an organization. These include supportive superiors who are less authoritarian in their management approach, while employees should have high need for independence and perceive that they face a moderate amount of work pressure. Individuals with high need for independence, achievement and job abilities are likely to perform better in their jobs. Involvement in decision making often increases an employee's motivation to make sure the decision is executed properly. Being part of a team that successfully makes and executes a decision can fulfill an employee's need for belongingness, achievement, recognition and respect. The opportunity to see how decision leads to actions and rewards may also improve an employee's understanding of the linkage between

performance and rewards, improve, enabling the employee to improve the chances of getting desired rewards. Employee involvement also gives employee the feeling that contributions are valued, which are likely to improve many employees self-esteem.

For any organization to run and actualize its objectives there is need for workforce that will drive the processes of the organization (Borthwick, 2011). As the world shift further into a knowledge base economy that relies majorly on information, knowledge and high level skills, human capital will become progressively more central to the business organizations across the globe. The workforce of any organization represents its employees. Ideally every employee in any organization is expected to continuously render productive services to the organization and remain in the organization until retirement. However in reality, this is not so. This introduces us to employee turnover, which is considered to be one of the persisting problems in organizations (Armstrong, 2010). The turnover means that another organization may gain a new knowledge employee who can become its competitive advantage. The loss of knowledge thus is a threat for former organization, which increases the significance of knowledge continuity (Hana & Lucie, 2011).

Organizational commitment plays an important role in the study of organizational behaviour. A number of studies have identified the relationship between organization commitment and attitude and behaviour in the workplace (Angle & Perry, 1981; Koch & Steers, 1978; Porter et al., 1976). Based on these studies, it has been noted that employees who are committed to the organizations for which they work tend to remain loyal and stay in the organizations (Yurchisin, Park, & O'Brien. 2010). This is because the ways that people are managed have major consequences and influence on workers' commitment and also organizational performance. The direct benefit of gaining employees' commitment is low employee turnover and better employees' quality and flexibility which lead to organization's competitive advantage (Ranya, 2009). Performance is an evaluation of the results of a person's behaviour. It involves determining how well and how poorly a person has accomplished a task or done a job. Non-motivated behaviour can be seen or identified when employees do not have the drive to succeed at their workplace. This can cause negative consequences such as poor performance, dissatisfaction, poor customer service, and decreased revenue (Lusseir, 2005).

Furthermore, other researchers have also explored the relationship between communication and commitment. For instance, Trombetta's research (1988) revealed that organizational communication, which was measured in the dimensions of information adequacy, communication openness, and decision participation, affects organizational commitment, while job satisfaction does not affect organizational commitment. DeCotiis & Summers (1987) suggested that organizational commitment could be enhanced by clear communication about organizational intentions, activities, and performance, a sense of cohesion among employees. Steers (1977) argued that adequate task-related information and positive information regarding an organization's ability to provide challenging and meaningful tasks are positively related to organizational commitment. In Allen's research (1992), it is found that employee perceptions of the communication relationship between top management and employees, and the perceptions of the quality of top management's communication and superior-subordinate communication, are strongly linked to organizational commitment. Gordon & Infante (1991) showed that the employees with less perceived freedom of speech in the organization have less organizational commitment and are less satisfied with the work, the supervisors, and the organization.

Capital Airtime Limited is a Safaricom authorized dealer with 42 branches countrywide and a huge customer base with over 220 employees. In 2009, the company, under their sister firm Capital Realtime Limited qualified as one of the Top 100 Mid-sized companies in Kenya and were ranked the 2<sup>nd</sup> best performing dealership among the Top 10 Safaricom dealers. Having been in existence since 2002, the company growth has been inseparably bound to Safaricom growth from inception as the demand for mobile telephony has been tied to a growth in airtime sales and mobile phone handset sales, line connections and M-Pesa service. The company comprises various departments: management and administration, sales and stocks, Mpesa, security, audit, and the accounts department. Its vision is to be a premier ICT distribution outfit operating within the entire Great Lakes region of Africa.

Therefore an organization is simply built on communication since the growth and stability of an organization leans more on motivated and loyal employees who rely on information from each other in order to render productive services.

## **1.2 Statement of the Problem**

Communication has an impact on employee commitment which determines the growth and stability of an organization. Internal communication motivates and empowers employees in an organization. When there is lack of communication from top management on issues that affect employees in the work place and employees do not know what their organization's objectives are or their part in reaching those goals they may lose motivation, interest and the organization may be negatively affected. Lack of good organization communication structures at Capital Airtime Limited have contributed to the increase of employee turnover in the past years. Various department heads had in the past complained to other staff members about the fact that other departments did not communicate about issues that affect their own departments meaning the staff were set to be misinformed by others as there were no clear communication channels. The different literature available does not offer guidance on how organizational commitment is affected by different kinds of communication in the organization and through different flows of the communication. This study also brought out the culture of the organization since it is as a result of interaction amongst employees working for a considerable period of time in the same organization and lack of effective communication may have led to a negative culture in the organization. Hence employee commitment solely relied on communication and its relationship was clarified, investigated and more attention drawn to it. Therefore, the importance of this study was to examine the internal communication practice at Capital Airtime Limited and its influences on employee commitment in various departments

## **1.3 Aims and Objectives**

The general objective of this study is to investigate the influence of employee communication on employee commitment at Capital Airtime Limited in Kenya.

Specifically the study aims at:

1. To identify the extent to which employees of Capital Airtime Limited engage in communication with each other at the same level and different levels in the organization.
2. To explore the various internal communication practices that influence employee behaviour at Capital Airtime Limited.
3. To determine whether internal communication can help predict employee commitment to Capital Airtime Limited.

#### **1.4 Research Questions**

1. To what extent do employees of Capital Airtime Limited engage in communication with each other at the same level and different levels at Capital Airtime Limited?
2. How do internal communication practices influence employee behaviour at Capital Airtime Limited?
3. How does internal communication help to predict employee commitment to Capital Airtime Limited?

#### **1.5 Significance of the study**

This study may be significant to any organization in facilitating coordination and control of activities, building teamwork and creating a supportive attitude among employees. It was hoped that its findings would specifically benefit Capital Airtime Limited policy makers to know whether good communication with employees is effective or efficient. This study may go a long way in ensuring that policies and strategies can be reviewed in case there will be need. This study will contribute to the existing literature on employee relations and it is therefore hoped that the findings of this study may be beneficial to both employers in organizations and researchers of communication when used to relate with specific internal communication standards, thus making them bases for refinement of their internal communication strategy and commitment. The management of CAT may benefit from this study since it sets out to improve habits and practices that stimulate good communication by creating a communication culture, making sure the message is heard, listening to the employees, creating formal feedback mechanisms, taking input seriously, checking management attitude and rewarding feedback. It is expected to examine the role of different types of organizational communication in the process of enhancing organizational commitment and provide knowledge about how to use communication to improve employees' commitment to the employing organization. By highlighting the important socializing role played by communication, this study was also considered relevant to policy makers especially those concerned with the Millennium Development Goals (MDG) and Kenya's vision 2030 such as National Development and Vision 2030 and other stakeholder groups. It will help other organizations to recognize the important role played by communication in enhancing organizational commitment. However, this study set out to highlight how, by

retaining the employees, as other employment chances are created for the unemployed help to grow and develop the economy of Kenya.

## **1.6 Scope of the Study**

This study focused on communication between employees of Capital Airtime Limited as a whole from whom the sample of the study was derived and studied for 2 years. The study was based on systems theory that describes an organization as a set of parts that interact within a boundary which could be physical, linguistical, systematic and psychological. The thematic areas under study include internal communication practices, employee behaviour and employee commitment. The internal communication practices were measured by communication structures, communication channels and barriers. Employee behaviour was measured by particular employee attitude on satisfaction, particular employee productivity and employee motivation. On the other hand employee commitment was measured by their attitude, beliefs, co-worker relations and organizational characteristics. The scope of the study was limited to western/nyanza region and south rift region to the employees of Capital Airtime Limited an authorized Safaricom dealer, these regions have been chosen because the top management of the organization identified them in 2013 as the regions with the highest employee turnover in the company.

## **1.7 Theoretical Framework**

### **Systems theory**

This study was guided by the systems theory which was founded by Macy Conferences, Norbert Wiener, Talcott Parsons, Ludwing Von Bertalanffy, Annatol Rapoport, Kenneth Boulding, Ralph W. Gerald, James E. Grunig and Todd hunt and many more contributors in recent years.

Grunig and Hunt (1984) therefore refer to systems theory to explain the structure and operation of organizations and their interaction with the environment. In essence, systems theory describes an organization as a set of parts (or subsystems) that interact within a boundary. Systems theory

provides a useful theoretical underpinning for thinking about the role of public relations because it stipulates that an organizations well-being (or otherwise) is dependent on establishing and maintaining relationships both within itself and with its environment. It has to adjust and adapt as both it and its environment changes.

Systems theory views organization as part of a wider social system that consists of individuals or groups of individuals (publics), such as employees, pensioners, suppliers, distributors, online communities and so on, who are all involved with it. The role of public relations is to develop and maintain relationships with these groups in order that the organization is better able to meet its goals. Systems theorists posit that interacting units develop patterns of interaction that form the structure of the system, but the structure and the process of creating it are not the same systems theorists base their definitions of system on the central notion of interdependence or relatedness of elements.

The theory was then relevant to this study since humanity is fundamentally designed to be social. The concept of interdependence among employees and groups easily translates into a systems-theory framework. Employees rely on each other, managers and the companies they work for to provide guidance, training and assistance on the job. A company that places emphasis on positive employee relations is likely to maintain a company culture that allows employees to openly ask questions and seek advice from managers and co-workers, reinforcing and facilitating the interdependence of departments, work groups and individuals. Walton (1969) suggested that communication is ‘the most significant factor that accounts for the total behaviour of the organization’ and that ‘the dynamics of the organization can best be understood by understanding its systems of communication.’

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Introduction

This research was done to investigate on how communication among employees of Capital Airtime Limited affects their commitment to the organization. The review includes organization communication, directions of communication in an organization: downward, upward, horizontal communication, organizational commitment and internal communication practices.

#### 2.2 Organizational Communication

In the context of an organization, members gather, send, and interpret relevant information about the organization and the changes occurring within the organization (Kreps, 1990). This process is called organizational communication. Through communication, the sender transmits a message to the receiver verbally or nonverbally. However, communication is not only about imparting a message but also involves understanding of its meaning. It is inarguable that an idea without a successful transmission and correct understanding, no matter how great it is, is useless (Robbins et al., 2010). Perfect communication is when the receiver understands exactly what the sender wants to express. However, in reality, in an organization, there are many factors that restrain perfect communication.

Previous studies have demonstrated that there is a relationship between the quality of communication and total performance in organizations (Tubbs & Moss, 2008). Lack of effective communication is one of the most inhibiting factors of successful organizational performance (Robbins et al., 2010). For instance, communication helps members in the organization to discuss relevant organizational issues and generate and share information for creating ideas and make decisions, so that both the organizational and individual goals are achieved. Members transmit commands, inform each other of changes, and coordinate to resolve problems and help each other with improvements.

According to Conrad (1985), the functions of organizational communication can be summarized as: the command function, the relational function, and the ambiguity-management function. The

command function is that communication that helps people to give and receive orders, and then act on these orders. It allows interdependent members in the organization to coordinate and to accomplish the overall organizational goals (Conrad, 1985). The relational function of communication allows people to develop and maintain personal relationships with others in the organization (Conrad 1985). In addition, since the work group is the primary source of social interaction for many people, communication provides them with a way to express emotions and feelings and fulfill their social needs (Scott & Mitchell, 1976). The ambiguity-management function is that communication deals with and reduces the lack of clarity and uncertainty in organizations. People talk, interpret, and make sense of new situations, so that everyone understands correctly. As a result of better understanding of different situations, people can predict situations, make decisions, and direct their actions (Kreps, 1990). Effective communication is essential for accomplishing tasks in organizations.

### **2.3 Organization Culture**

Organizations are located within societal cultural contexts yet almost all organizational cultures are unique to particular organizations. Obviously, there is cultural variation within each society, depending on the region in which a particular organization is located. In almost any organization around the globe, the organizational culture would consist of the uniquely patterned beliefs, feelings, values and behaviour that connect the members to the organization and simultaneously distinguish that organizational culture from the cultures of other organizations. Obviously, cultural dimensions are reflected in various forms in the external life of a society or an organization, as well as in the values and beliefs held by its members (Deal and Kennedy, 1982).

As the organization grows and becomes successful, it usually develops a culture that distinguishes it from other organizations and that is one of the reasons for its success. In other words, an organization succeeds as a result of what the organization does, its strategy, and how it does it, its culture. The process of creating an organizational culture is really a process of linking its strategic values with its cultural values. Strategic values are the basic beliefs about an organizations' environment that shape its strategy (Hellriegel et al., 1998). Strategic analysis evaluates economic, demographic, public policy, technological, and social trends to identify needs in the market place that the organization can meet. The cultural values are the values

employees need to act on for the organization to carry out its strategic values. Organizations that attempt to develop cultural values that are not linked to strategic values may end up with an empty set of values that have little relationship to its business.

### **2.3.1 Concept of Organizational Culture**

The simplest definition of culture is ‘the way we do things around here’ (Deal and Kennedy, 1982). It is a combination of values and beliefs, norms of behaviour that are acceptable or otherwise, written policies, pressures, and expectations coming down from the top, formal and informal systems, processes and procedures, and networks.

The culture of an organization is a product of history, a variety of external and internal influences, and priorities and values of key people in it. Culture is reflected in the artifacts which are rituals, design of shape, furniture and ways of dealing with various phenomenon.

### **2.3.2 Role of culture**

The roles of culture in an organization is to; 1) specify the goals and objectives of the organization; 2) specify the relations that exist within the organization; 3) specify what qualities are valued within organizations such as loyalty, confidentiality, dynamism, hard work, and so on 4) specify the wider context within which the organization operates (Fincham et al., 1999). The success of any organization is linked to the organization culture in which people are encouraged to work together and share resources as needed. Organizations culture exerts many effects on individuals and organizational processes; some dramatic and others more subtle. If the organization culture stresses the importance of product quality and excellent service, its customers will generally find their complaints handled politely and efficiently.

## **2.4 Internal Communication Practices**

Internal communication practitioners need to understand people in the organization and how employee knowledge, attitudes and behaviours (Stroh & Jaatinen, 2002). They must be able to gauge an organization’s communication climate and analyze the cultural, political and rational dimensions present within their organizations (L’etang, 2008). This subsection reviews the literature related to directions of communication in an organization.

## **2.5 Directions of Communication: Downward, Upward, Horizontal Communication**

The communication in an organization flows vertically and horizontally. Further, in the vertical direction, communication may be directed downward and upward. A discussion of the features and functions of different communication flows will aid understanding the measures and results to be presented in this study.

### **2.5.1 Downward communication**

Downward communication is the communication flows from an upper-level employee to a lower-level employee. It is “initiated by the organization’s upper management and then filters downward through the ‘chain of command’” (Tubbs & Moss, 2008).

It is not difficult to imagine that downward communication is used to give orders, assign tasks, provide instructions and directions, inform employees about job procedures and policies, point out problems that need attention, and offer feedback on employees’ past performance (Robbins et al. 2010; Greenberg & Baron, 2008). In other words, it is mainly used to tell the employees what they should do and how well they are performing. In respect of satisfying employees’ needs for organizational communication, it is important that employees can receive sufficient and accurate information about the organization and their jobs, and get feedback about the performance (Greenberg & Baron, 2008).

Scholars found six crucial areas that employees want to know about from the upper-level management (Greenberg & Baron, 2008): 1). What, exactly their job entails 2). How well they are doing 3). If anyone cares about them 4). How their work unit is doing 5). Where the organization is headed 6). How they can help the company to meet its objectives. Moreover, previous research also found that it is important to explain the reason behind a decision when a manager communicates downward to the subordinate. But in practice, managers tend to ignore the need for explanation (Robbins et al., 2010). They are either too busy to explain to the employees or think that it is not necessary to let the employees know since they are just like “machines” that follow orders. However, research has revealed that such explanations can enhance employees’ commitment and support for decisions (Dvorak, 2007). When the employee knows why the management made the decision, it is twice as likely that he or she commits to the change.

Furthermore, there are some deficiencies of downward communication. Employees do not only expect to receive information about the organization and their tasks, and feedback from managers, but also want to participate in the communication. In one-way communication, it is only the upper-level management that speaks and the lower-level employees listens, and the upper-level management rarely ask for the lower-level employees' opinions and suggestions. However, people need to be respected and considered to be able to think and provide useful ideas. Therefore, in an organization with a good quality of communication, upward communication is regarded as important as downward communication (Robbins et al., 2010).

### **2.5.2 Upward Communication**

Conversely, upward communication in an organization flows from a lower-level employee to an upper-level employee. Upward communication is used to keep managers informed of what is going on in the work and what the subordinates feel. Specifically, it provides management with the information they need to do their work, such as data for making decisions, the current status of projects, and information on new problems. Through upward communication, superiors also get to know their subordinates' feelings about their work, colleagues, and the organization, so that they can adjust for better individual and organizational performance. Moreover, as discussed earlier, superiors and the organization need advice and opinions from employees as well. Moreover, managers rely on upward communication to collect suggestions for improvement and new ideas (Robbins et al., 2010; Greenberg & Baron, 2008).

Upward communication is important. Failing to relay the necessary information upward, such as changes and problems in a project, or creative ideas to enhance the profits, may cause detrimental and even disastrous results (Tubbs & Moss, 2008). The functions of upward communication are summarized by researchers as: “provides management with needed information for decision making”, “helps employees relieve the pressures and frustrations of the work situation”, “enhances employees' sense of participation in the enterprise”, “serves as a measure of the effectiveness of downward communication”, and “suggests more rewarding uses of downward communication for the future” (Tubbs & Moss, 2008).

Therefore, an organization should encourage upward communication and undertake efforts to ensure that it is of a good quality. However, it is not uncommon that organizations lack strategies for upward communication. Upward communication is not simply a reverse direction of downward communication; because when communication flows from lower-level employees, there may be some problems due to the characteristics of job positions (Greenberg & Baron, 2008). People may also fear the bureaucracy and possible retaliation so they prefer to not face the risks. Even though in today's organizations the emphasis on hierarchy is lower and team work is emphasized, there are still some limitations of upward communication.

Previous research established that in organizations upward communication happens less frequently than downward communication (Greenberg & Baron, 2008). In addition, the conversation time of upward communication is shorter compared to the communication flows in the other direction (Greenberg & Baron, 2008). Importantly, upward communication often displays a lack of comprehensiveness. As subordinates often fear to tell bad news to their superiors, when they report to the superiors they may emphasize their merits and achievements but avoid the mistakes they made and troubles they caused. Therefore, the bad things are often omitted from the communication. Managers however, make decisions based on the information they gain from other employees, and all the information has the potential of changing the result dramatically. That is to say, bad news can also be pivotal. If the higher-level managers are not informed with accurate and sufficient information and that information is necessary for the managers to do their job, then it is very possible that a worse result will be caused. Therefore, to encourage effective upward communication, managers should not behave unreceptively to bad news so that their subordinates will not be afraid of rebukes, punishment, or retaliation (Tubbs & Moss, 2008).

Furthermore, it is also common that subordinates simply choose to agree with their superiors when they are asked for comments. The subordinates may also choose to remain silent even though they have ideas for improvement. The reason might be that subordinates are not sure if their suggestions and comments are truly welcome. Therefore, it is important that managers make time to listen to subordinates and let them know that they are willing to take suggestions and listen to critical opinions (Greenberg & Baron, 2008; Robbinset al., 2010).

### **2.5.3 Horizontal Communication**

Horizontal communication flows among the employees at the same level in the organization. In today's organization, horizontal communication is becoming increasingly common with the flattening of organizational hierarchy and the advent of team work (Greenberg & Baron, 2008).

Horizontal communication in an organization can facilitate an efficient and accurate transfer of information and enhance coordination. Consequently, no accidents will happen because of lack of necessary communication and the organization will function more effectively (Robbins et al., 2010; Tubbs & Moss, 2008). Goldhaber (1993) concluded that there are four important functions of horizontal communication. It can help to: 1). improve the task coordination especially between departments to meet the overall organizational goals; 2). solve problems by having, for instance, brainstorming between co-workers in a department; 3). share information with other departments especially to update changes that may affect other departments; 4). resolve conflict among members in a department or between departments (Tubbs & Moss, 2008).

Since in horizontal communication people are horizontally equivalent, the communication is usually friendlier in nature than the vertical communication. It is often also more casual and easier since the social barriers are fewer between people, and they are often more satisfied with it (Greenberg & Baron, 2008). However, there are some problems that may cause bad horizontal communication, especially between different groups or departments. Members in a group or department are usually required to demonstrate loyalty, especially when there is competition between groups or departments. As a result, they tend to avoid communication with those outside and also not trust and help others (Tubbs & Moss, 2008; Greenberg & Baron, 2008). Moreover, when there is a conflict between co-workers, they may behave antagonistically and show their resentment more openly, since they do not need to bow to hierarchy (Greenberg & Baron, 2008). All these problems may impact on the overall organizational benefits of horizontal communication.

Schein (1997) summarized a guideline to reduce the barriers to horizontal communication by suggesting that people should: 1). Put more emphasis on the overall organizational effectiveness and the importance of different departments' role in contributing to this overall effectiveness; 2). facilitate the high interaction and frequent communication between groups to work on the

intergroup coordination and help each other; 3). employ frequent rotation of members among different groups or departments to stimulate mutual understanding and empathy for others' difficulties and problems; 4). avoid any win-lose situation to reduce competition for reward so that the resources and information are shared equally and fairly (Tubbs & Moss, 2008). Additionally, empirical studies found that games and team challenges outside the office can open up the lines of communication and reduce the barriers to effective communication across equivalent personnel in the organization (Mowle, 2004; Tubbs & Moss, 2008). The current study assumes that social emotional-oriented communication affects work-oriented communication.

#### **2.5.4 Formal and Informal Communication**

Two styles of communication that occur in an organization can be distinguished namely formal communication and informal communication. Formal communication is “the sharing of messages regarding the official work of the organization”, while informal communication is “the sharing of unofficial messages that are unrelated to the organization’s formal activities” (Greenberg & Baron, 2008).

Formal communication in an organization follows an organization’s “chain of command” (Bratton et al., 2007). It is impacted by the formal organizational structure, which indicates “the formally prescribed pattern of interrelationships existing between the various units of an organization” (Greenberg & Baron, 2008). Therefore, the formal communication follows the prescribed rules about who is to communicate with whom (Greenberg & Baron, 2008). In this formal communication structure, it is settled who the authority in the organization is that is responsible for answering the subordinate, and who is responsible for answering the superior. These rules about who may communicate with who for the organization to operate properly are fixed and defined (Greenberg & Baron 2008). This implies that, they do not change just because of personal reasons.

Informal communication in today’s organizations is often used as a means of work oriented communication. The informal connections between members in the organization build an informal communication network through which they share informal information. People in the network transmit information to others with whom they come into contact, so the informal

communication breaks off the organizational boundaries (Greenberg & Baron, 2008). Moreover, informal communication is usually performed orally. Therefore, the information is usually widespread and spreads rapidly (Greenberg & Baron, 2008).

The informal channel is sometimes referred to as “the grapevine”. It is mainly based on social relations (for example, friendship, or acquaintance) among the members in an organization (Bratton et al., 2007; Greenberg & Baron 2008). Information disseminated through the grapevine without official verification is often considered as rumours. Rumours about the organization and the work are caused by ineffective or inadequate organizational communication. However, informal communication without official verification can still be helpful for bonding between members of the organization and improving performance (Sostek, 2006). Sostek (2006) proposed two types of rumours. When the rumour is about individuals, it usually hurts people. When the rumor is about how the other groups in the organization are doing better, it is likely to stimulate productivity and help the organization. Therefore, sometimes the management allows the spreading of rumours in the organization (Sostek, 2006). Furthermore, it has been shown that socializing informally among employees can improve work groups’ cohesiveness, provide better opportunities for satisfying employees’ social needs, and ensure a stimulating work environment in the organization (Greenberg & Baron, 2008; Baskin & Aronoff, 1989). Davis (1953) stated that grapevine communication is one of the fastest channels and often it is also accurate. It can also carry plenty of information. Nevertheless, grapevine communication is considered to be largely unreliable because of message distortion in the communication process (Tubbs & Moss, 2008).

The distortion occurs when people omit some parts they think are unrelated, exaggerate some parts to make the story sound better, or distort the message to make it accord with their own ideas or fit their own purposes (Tubbs & Moss, 2008). As a consequence, employees do not prefer to get information about the organization and work through the informal channel, although this channel is important and is frequently used (Tubbs & Moss, 2008).

In order to avoid the disadvantages of grapevine communication, the experimental study suggested some alternatives that can also be applied by the organization to share the

organizational values with the employees (Tubbs & Moss, 2008). It includes one-on-one informal conversations with employees, bringing up values as secondary agenda of meetings, social activities, organization wide meetings, and meetings with middle managers (Tubbs & Moss, 2008). Some of these alternatives contain social emotional-oriented communication. One of the current assumptions of the current study is that social emotional-oriented communication affects organizational commitment.

In an organization, the informal communication network which is based on the informal connections between people is sometimes divided according to the similarities between people, such as age, gender, and race (Greenberg & Baron, 2008). It is not difficult to understand that people tend to spend more time and communicate more with those who have similar characteristics as themselves since it feels more comfortable. By doing this, they usually receive a lot of useful and valuable information. It is because they have similar backgrounds and situations, that the knowledge from similar people can be used in their own cases (Greenberg & Baron, 2008).

A previous study found that the informal communication pattern between people has a predictive effect on employees' voluntary turnover (Greenberg & Baron, 2008). Specifically, among those who come into contact and share information with each other, the turnover can be caused by their influence on each other. This means that whoever is going to quit the organization for a better job in another organization can be known from familiarity with the informal communication patterns within the social groups in the organization (Greenberg & Baron, 2008).

Additionally, the informal communication network can cross the organizational structure and hierarchy. When the information is not related to the job, members at different levels including both the managerial and non-managerial level dare to share information, such as jokes or interesting movies, to a larger extent. In contrast, it is not common that a worker at a lower organizational level formally communicates to the superior about how to do a job (Greenberg & Baron, 2008).

## **2.6 Employee Turnover**

Employee turnover poses a recurrent challenge to most businesses globally. There is virtually no organization that is immune to employees' turnover: be it small size or big size organizations they are all exposed to employee turnover. It may not be feasible for any organization to totally eliminate employees' turnover due to several reasons, nevertheless it could be reduced to the barest minimum.

Under communication, lack of communication, miscommunication, whatever one may use to call it, is a widespread and detrimental problem. If we consider the three main types of communication in business: 1) organization to employees 2) employees to organization 3) employees and other people like customers, potential employees, and partners. Each form is unique, with its own set of problems and possible solutions. But three of these starts with what is said or not said. The power to pull together, lead, and motivate your organization hinges on the ability to influence the three streams of communication (George, 2014).

Under communication can be so problematic because it's known to breed uncertainty and doubt. Meaning, it can cause employees to question their job and their responsibilities, their position within the organization and even their own value. It causes them to wonder how the organization is doing. Lack of communication undermines employee confidence and elevates stress. If employees do not feel secure in their role, then they will not have the confidence they need to succeed. They will second-guess themselves and won't feel that they can trust each other, or their managers. The only way to quash uncertainty is to keep an open flow of communication. Under communication can also be problematic because it turns into rumors, gossip, suspicion, and/or resentment. This happens when employees do not know what is going on. It is human nature to try and figure out unanswered questions, solve mysteries, and fill the blank spaces in our knowledge. Under communication leaves a gaping hole that employees and managers alike will try and fill with speculation. It causes low productivity, deadlines missed, and tasks not accomplished, leads to poor customer service and also results in employee turnover which usually happens when there is uncertainty and doubt, hampering productivity and opening door to rumors, thus poor communication makes it difficult for employees to feel invested and proud

of their work (George,2014). Without driving sense of purpose and structure, they are far more likely to leave.

For any organization to run and actualize its objectives there is need for workforce that will drive the processes of the organization (Borthwick, 2011). As the world shift further into a knowledge base economy that relies majorly on information, knowledge and high level skills, human capital will become progressively more central to the business organizations across the globe. The work force of any organization represents its employees. Ideally every employee in any organization is expected to continuously render productive services to the organization and remain in the organization until retirement. However in reality, this is not so. This introduces us to the concept of employee turnover.

Employee turnover means the rate at which employees leave a business enterprise (Hedwiga, 2011). A number of other terms have been used interchangeably with employee turnover such terms include quits, attribution, exits, mobility migration or succession (Morrell, John & Adrian 2004). It represents the relative rate at which business enterprises gain or losses its employees (Marrisoosay 2009). Kazi & Zadeh (2011) describe employee turnover as the regular change of employees around the market among the organizations, professions and career; and between the conditions of full employment and that of being without a job.

Employees' turnover can also be defined as a measure of the number of employees leaving and being replaced within a particular period, usually a year expressed as a percentage of the total labour force at the beginning of the period (Abbasi & Hollman, 2000; Adenji 2009). For the purpose of current study the concept of employee turnover can be defined as a measurement of the length of time an organizations employee remain in the workforce of the organization and how frequent the organization has to replace its workforce.

Employee turnover is a natural part of doing business (Tetty, 2006). Employees' turnover represents a common problem to most business enterprises in resent time, as it has unfavorable consequences, to such business enterprises (Shamsuzzoha & Shumon, 2010). There are financial and non-financial costs associated with the process, but while organizations control the turnover,

they can also control costs. Although there is variation in the rate of turnover between one organization and the other; the rate is higher in privately owned organizations than those of public sector organizations (Shamsuzzoha & Shumon, 2010).

Rajan (2013) observes that turnover maybe categorized into five groups as follows. (a) Functional and dysfunctional turnover. Functional turnover is a turnover in which employees that perform poorly leave an organization; meanwhile dysfunctional turnover is a turnover in which employees that perform excellently leave an organization. (b) Voluntary and involuntary turnover; is the turnover in which employee has own choice to quit or instances of turnover initiated at the choice of employees whereas involuntary turnover is one in which employees have no choice in their termination. (c) Skilled and unskilled turnover; untrained, uneducated and unskilled positions often face high turnover rate. On the other hand skilled and educated professionals incur replacement costs as well as competitive disadvantage of the business. (d) Avoidable and unavoidable turnover; a turnover that happens in avoidable circumstances is called avoidable turnover whereas turnover that happens in unavoidable circumstances is called unavoidable turnover. (e) Internal and external turnover; internal turnover happens when employees send off their current position and getting a new position within the same organization. It is related with the internal recruitment where organizations filling the vacant position by their employee or recruiting within the organization.

## **2.7 Organizational Commitment**

Organizational commitment is a work-related attitude of employees towards the employing organization as a whole (Greenberg & Baron, 2008; George & Jones, 2002). It is generally used to measure organizational effectiveness (Steers, 1975). Previous research has mainly proposed that there is a relationship between organizational commitment and organizational outcomes including performance, absenteeism, turnover, and organizational goals (Meyer & Allen, 1997). Employees with a higher degree of commitment to their organization are less likely to resign, be absent, or act counter productively such as steal or sabotage, but are more likely to be willing to share and make sacrifices that are required for the organization to thrive (Greenberg & Baron, 2008; Levy, 2003).

### **2.7.1 Definition and Three Types of Organizational Commitment**

In the past, Scholars of different fields defined the concept of organizational commitment in various ways. The behavioral approach to organizational commitment focuses on the obvious manifestations of commitment (Mowday et al., 1979). This implies that, when an employee chooses to link him or herself to the organization, the researchers' focus is on this commitment-related behaviour. Attitudinal commitment defines commitment in term of employees' attitudes (Mowday et al., 1979). Generally, it is considered to be related to identification. Lee (1971) defines organizational commitment as "the identification with the organization", while Steers (1977) and Levy (2003) define it as "identification with, and involvement in an organization". The most used definition is that "organizational commitment is a strong belief in and acceptance of the organizational goals and values, a willingness to exert effort on behalf of the organization and a desire to remain with the organization" (Porter et al., 1974). However, all of them lack, to a greater or lesser extent, certain factors of organizational commitment. Moreover, none of the measurements for them has been proved to have a significantly high reliability (Mowday et al., 1979).

Based on the definition of organizational commitment as "the relative strength of an individual's identification with and involvement in a particular organization" (Porter & Smith, 1970). Mowday, Steers and Porter (1979) proposed three factors of organizational commitment, which include some aspects of commitment-related behaviours. They are: 1) "a strong belief in and acceptance of the organization's goals and values"; 2) "a willingness to exert considerable effort on behalf of the organization"; and 3) "a strong desire to maintain membership in the organization". Additionally, Becker (1960) regarded commitment as consistent lines of activity in his side-bets theory. It expounds that when someone cannot continue his or her action he or she experiences a sense of loss. However, each of the two conceptualizations cannot fully portray organizational commitment.

In Allen and Meyer (1984) proposed two components of organizational commitment, which are affective commitment and continuance commitment. Affective commitment can be considered equal to Mowday, Steers and Porter's (1979) definition of organizational commitment. This component has been the most commonly considered in related research. Continuance

commitment is based on Becker's (1960) "side-bets" theory. In 1990, Meyer and Allen suggested a third component of organizational commitment, which is normative. Thus, the three components model of organizational commitment was built. Although there are plenty of researches in different fields of study that have examined organizational commitment, only a few have paid attention to all the components of organizational commitment in the same research (Meyer et al., 1993; Randall et al., 1990). Moreover, the instrument that was developed by Meyer et al. (1993) that measures the three components is suggested by a large number of researches as one that has high reliability and validity. Therefore, the current research operationalizes organizational commitment as affective commitment, continuance commitment and normative commitment.

The affective component of organizational commitment refers to "employees' emotional attachment to, identification with, and involvement in, the organization" (Allen & Meyer, 1990). In other words, employees who have affective commitment work for the employing organization because they attach to the organization emotionally and agree with the organizational goals and values. When they endorse what the organization does and stands for highly, they will be willing to help it in its mission (Greenberg & Baron, 2008).

The continuance component refers to the "commitment based on the costs that employees associate with leaving the organization" (Allen & Meyer, 1990). Specifically, it is "the perceived economic value of remaining in an organization compared with leaving it" (Robbins et al., 2010). The employees may want to stay in the organization just because they do not want to bother finding a new job that is better than the current one (Greenberg & Baron, 2008). It may be because of the good salary and welfare in the organization, or because losing the job will hurt their family (Robbins et al., 2010). However, today's employees are not like the older generations who tend to work in the same organization for their entire working lives and work from the bottom way up to the top. Rather today, it is not rare that employees change their workplace for one with higher salary. Thus, in contemporary society, the continuance commitment tends to be lower than it used to be (Greenberg & Baron, 2008).

The normative component refers to “employees' feelings of obligation to remain with the organization” for moral and ethical reasons (Allen & Meyer, 1990). It is usually a result of pressure from others. People who have a high degree of normative commitment remain in the organization because they do not want to leave their employer in the lurch and disappoint them, and they worry that their colleagues would think poorly of them for resigning (Robbins et al., 2010; Greenberg & Baron, 2008).

Additionally, Meyer & Allen (1997) argued that employees who have strong affective commitment to the organization would be motivated to higher levels of job performance than employees who convey continuance or normative commitment; while those employees with strong affective commitment also make more meaningful contributions to the organization. Furthermore, Meyer, Stanley, Herscovitch and Topolnytsky's (2002) meta-analysis of the antecedents, correlates and consequences of the three types of organizational commitment suggested that, compared with the other two types of organizational commitment, affective commitment is stronger correlated to organizational-relevant outcomes, such as attendance, performance and organizational citizenship behaviour, and employee-relevant outcomes, such as stress and work-family conflict. Similarly, Dunham, Grube and Castaneda (1994) found that affective commitment significantly predicted various outcomes, such as career satisfaction, perception of task characteristics, and intention to leave. In addition, research by Cohen and Kirchmeyer (1995) revealed that affective commitment and normative commitment indicated higher level of involvement and enjoyment with work activities than continuance commitment.

## **2.8 Communication and Commitment in the Organization**

There are many previous studies which have paid attention to the relationship between communication and organizational commitment. It is widely supported by research that communication plays an important role in enhancing organizational commitment (for instance, Eblen, 1987; Gorden & Infante, 1991; Eisenberg, Monge, & Miller, 1983).

The study defined vertical communication as formal communication with managers, on formal topics; and horizontal communication as informal communication with proximate colleagues,

related to social and emotional topics. Vertical communication in this research was examined by three indicators: namely the quantity of strategic communication and vertical interaction, and the degree of satisfaction with management's responses to the upward feedback while horizontal communication was measured by the perceived quantity of social interaction with colleagues within the unit, the quality of these interactions, and the perceived quantity of social interaction with colleagues outside the unit.

Furthermore, the literature (DeCotiis & Summers, 1987; Mathieu & Zajac, 1990) suggests that variables related to communication such as leadership communication and input into decision-making are more strongly related to organizational commitment (affective communication) than are personal and organizational characteristics and individual roles. Moreover, other variables in communication were also proved to be important for enhancing organizational commitment. These variables include clear communication about organizational activities, intentions and performances, and a sense of cohesiveness among the members in the organization (DeCotiis & Summers, 1987), abundant work-related information, and positive information about an organization's ability to provide meaningful tasks and challenges for employees (Steers, 1977).

## **2.9 Conclusion**

Communication plays an important role in organizational functioning. Communications that flow in different directions appear as distinct patterns and serve for different functions. Not only formal communication but also informal communication performs various functions to meet both organizational and individual needs. Systems theory emphasizes that all systems have components in them that have interdependent relationships in them. Systems are comprised of subsystems which are smaller entities that make up the larger system. Organizational commitment is generally employed to measure organizational effectiveness. Commitment is more related to job performance and makes more meaningful contributions to the organization. Many previous studies attested that communication affects organizational commitment. Therefore, the current study examines the relationship between employee communication and various communication practices that influence employee behaviour, and how the different types of communication predict organizational commitment.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

In this chapter, the approach to the current study is presented. It includes detailed information on the research design, area of study, study population, sampling procedure, sample size, data collection techniques, reliability and validity of the data collection instruments, data analysis and ethical considerations.

#### **3.2 Research Design**

The research design used in this study was a case study design since, according to Woodside & Wilson (2003), it is appropriate for describing, explaining, predicting or controlling processes associated with a variety of phenomena at individual, group and organizational levels. The aim of the study was to test the predictive relationship between employees at the same level and different levels in the organization. It also helped predict employee commitment to Capital Airtime Limited. When this design was adopted, the deeper insights and better understanding of the influence of employee communication on employee commitment at Capital Airtime Limited were established.

#### **3.3 Study Area**

The study was carried out in two regions as identified by the company; namely western nyanza and south rift region. The selected regions have the highest number of employees and were mentioned in the board meetings as the regions with highest employee turnover on the company. The selected regions had 23 branches which were operated by over 80 employees who work across security department, sales department and administration department. The selected regions in Capital Airtime Limited serves Kisumu County, Siaya County, Busia County, Bungoma County, Kakamega County, Vihiga County, Homabay County, Kericho County, Narok

County, Nandi County, Bomet County, Nakuru County, Migori County, Kisii County and Nyamira County. Geographically, the branches are situated in the western part of the country. Within this coverage the employees of CAT top management communicates with the employees of different departments.

### **3.4 Study population**

According to the capital realtime company handbook and company policies (2011),and regional reports (see annexure) the researcher obtained the number of branches per region and number of sales team, security guards and branch managers per branch. The study population comprised 131 staff working in various departments of which 28 who made sure company rules and regulations are followed are under administrative department, 21 were in security department and are those who protect company assets and property while 81 were working under sales department to help the company push sale of Safaricom products, there was one person in the accounts department. The study population included employees that are at different levels of management (including department heads).

### **3.5 Sampling Procedure and Sample Size**

The researcher first contacted the management of CAT by writing a letter to seek permission to carry out research in the various branches within the study area. The researcher conducted preliminary investigations mainly from visible communication media such as notice boards, charts and operational manuals. During actual data collection, questionnaires on communication and organizational commitment were presented as one questionnaire.

The questionnaire was printed out so as to be completed by using the paper and pencil self report administration. The questionnaires were handed out by the researcher and all respondents were asked to answer the questionnaires anonymously.

Furthermore, in order to obtain honest answers from the employees, a statement was printed at the top and bottom of the questionnaire. It stated that participation in the research would be voluntary and that all the information would remain confidential.

Creswell (2003) asserts that the entire population may not be easy to study. A researcher, therefore, had to draw a sample from the study population. In this study, the Yamane model was used to construct the sample size of participants.

According to the model,

$$n_s = \frac{N}{\{1+N(e^2)\}}$$

Where;

$n_s$  - Sample size

N - Population size

e- Precision level (at 0.95 confidence interval  $e = 0.05$ )

Given N = 131

$$n_s = \frac{131}{1+131(0.05^2)} = 98$$

Sample inclusion from Nyanza, Western and South Rift regions at Capital Airtime Limited was done by proportional stratified random sampling technique at a sampling ratio of  $98/131 = 0.75$ .

**Table 3.1 illustrates the ultimate planned participation levels from the target population strata.**

Study strata	population size	stratum sample size
Administration department	28	$98/131 \times 28 = 21$
Security department	21	$98/131 \times 21 = 16$
Sales department	81	$98/131 \times 81 = 60$
Accounts department	1	1
<b>Total</b>	<b>131</b>	<b>98</b>

The application of stratification technique ensured that every identifiable and distinct group made contributions to the generalizations of the study regarding internal communication and influences on employee commitment to CAT.

### **3.6 Data Collection Instruments**

Data for this study was obtained from both secondary and primary sources. Primary data was collected from administration department, security department, sales department and accounts department of CAT by using the questionnaire as the main research instrument. According to Key (1997) a questionnaire is a means of eliciting the feelings, beliefs, experiences, perceptions, or attitudes of some sample of individuals. The questionnaire was set for the staff around the selected regions and also for the other respondents. The questionnaire was divided into three sections and this helped collect demographic data, find out about the communication levels in the company, and also find out about employee commitment to the company. The secondary data was from books, website articles institutional communication policy and other materials.

### **3.7 Reliability and Validity**

Reliability is the consistency of responses; the degree to which an instrument measures in the same way each time under the same conditions. Reliability is broadly defined as the degree to which measures are free from error and therefore yield consistent results (Zikmund, 2003). Reliability can be computed through different methods like test- retest reliability, internal consistency reliability, and equivalent forms reliability. In this study, questionnaire reliability was checked by using internal consistency method to measure the relationship between each item in the questionnaire. One hundred employees were picked to fill questionnaires to measure its reliability. Cronbach alpha was then calculated for all statements in the questionnaire. The results were used to establish the reliability of the questionnaire as a research tool.

Validity refers to whether a questionnaire is measuring what it purports to measure (Bryman & Cramer 1997). McMillan & Schumacher (2006) describe validity as the degree of congruence between the explanations of the phenomena and the realities of the world. While absolute validity is difficult to establish, demonstrating the validity of a developing measure is very important in research (Bowling, 1997). This study used both construct validity and content validity. For construct validity, the questionnaires were divided into several sections to ensure that each section assessed information for a specific objective, and also ensured that the same closely ties to the conceptual framework for the study.

### **3.8 Data analysis**

The aim of the current study was to examine the predictive relationship between communication and organizational commitment in Capital Airtime Limited. Therefore, data from questionnaires was analyzed using the descriptive statistics with the help of data analysis software namely SPSS (Statistical Package for Social Sciences), version 20.0. SPSS package offered extensive data handling capabilities that analyzed all data statistics. The data was reviewed and analyzed to find out how employee communication influenced employee commitment at Capital Airtime Limited. The data was also compared and contrasted to determine similarities and differences between the

### **3.9 Ethical considerations**

At the beginning of this study, permission was sought with the correct information about the intentions of the study from respective authorities such as Capital Airtime Limited through a letter addressed to the group general manager prior to the instrument administration time. Since it is always appropriate and applicable to avoid doing harm the researcher chose to ensure that the purpose of the study was for a good cause. Therefore, Confidentiality was considered and maintained since some employees might not have expressed themselves freely on the questionnaire for fear of losing their jobs. With that, the researcher therefore strived to objectively analyze the data that was enhanced by the use of questionnaires whose validity was tested prior to the commencement of the exercise.

## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS AND DISCUSSION

#### 4.1 Introduction

This chapter presents the results of the study. With regard to this case study, demographic descriptive and probit analysis was used to present the results. The interpretation and discussion of the data analysis was in the form of frequencies and descriptive statistics. The data was analyzed and presented based on the objectives of the study.

##### 4.1.1 Response Rate

Table 4.1 presents the response rate of questionnaires administered to respondents. Out of 100 questionnaires distributed to the employees of Capital Airtime Limited, 63 questionnaires were duly completed and returned which represents to 63% response rate. According to Mugenda and Mugenda (2003) 50% response rate is adequate for analysis in a descriptive study. This is further supported by Creswell (2003) who suggests that a 40% sample size is adequate. The response rate was as a result of lack of cooperation from the respondents due to fear of disclosure and breach of agreement even after assuring them of confidentiality.

**Table 4.1 Response Rate**

<b>Categories</b>	<b>Frequency</b>	<b>Percent</b>
Response	63	63%
Non- Response	37	37%
<b>Total</b>	<b>100</b>	<b>100</b>

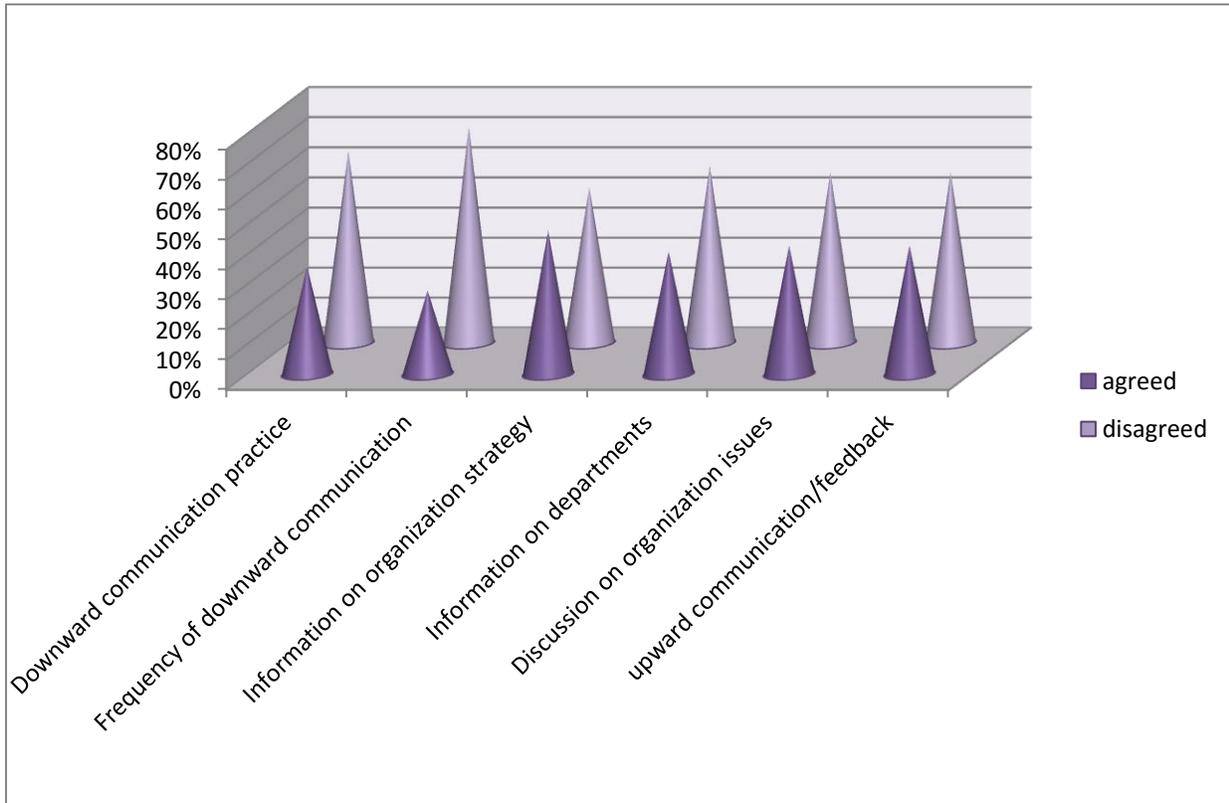
## 4.2 Demographic Characteristics of the Sample

Demographic information was gathered from the respondents using questionnaires.

**Table 4.2: Communication Levels**

Question	Agree	Disagree
Is downward communication practiced in CAT?	36%	64%
Is downward communication frequently practiced within the organization?	28%	72%
Is information about the organization's strategy received?	48%	52%
Do you receive information about the functioning of other departments within the organization?	41%	59%
Does management often take the initiative to discuss organizational issues with you?	43%	57%
Do you take the initiative to communicate with the organization's management and do you often receive feed back?	43%	57%

**Figure 4.1: Communication Levels**



**4.2.1 Employee Communication Levels**

Respondents were requested to give their opinion on communication levels in Capital Airtime Limited and the results of the employees receiving information about changes within the organization (downward communication) indicated that 36% agreed that they receive communication from the top management while 64% did not agree. Responses about frequency of downward communication indicated that 28% agreed that management communicates to them on overall performance of every department while 72% were in disagreement. 48% of the respondents agreed to being informed regularly about the organizations strategy while 52% disagreed to that act. In relation to the information on the functions of other departments within Capital Airtime Limited, 37% of the respondents agreed to this while 63% disagreed with this statement. 26 out of 63 of the of respondents being 41% agreed that they do receive information about the functioning of other departments within the organization while 59% stated that they do

not receive any such information about other organization departments. Respondents were also asked if they take the initiative to communicate with the organizations management. Results show that majority being 43% agreed that they would while 57% stated that they would not communicate with the top managers.

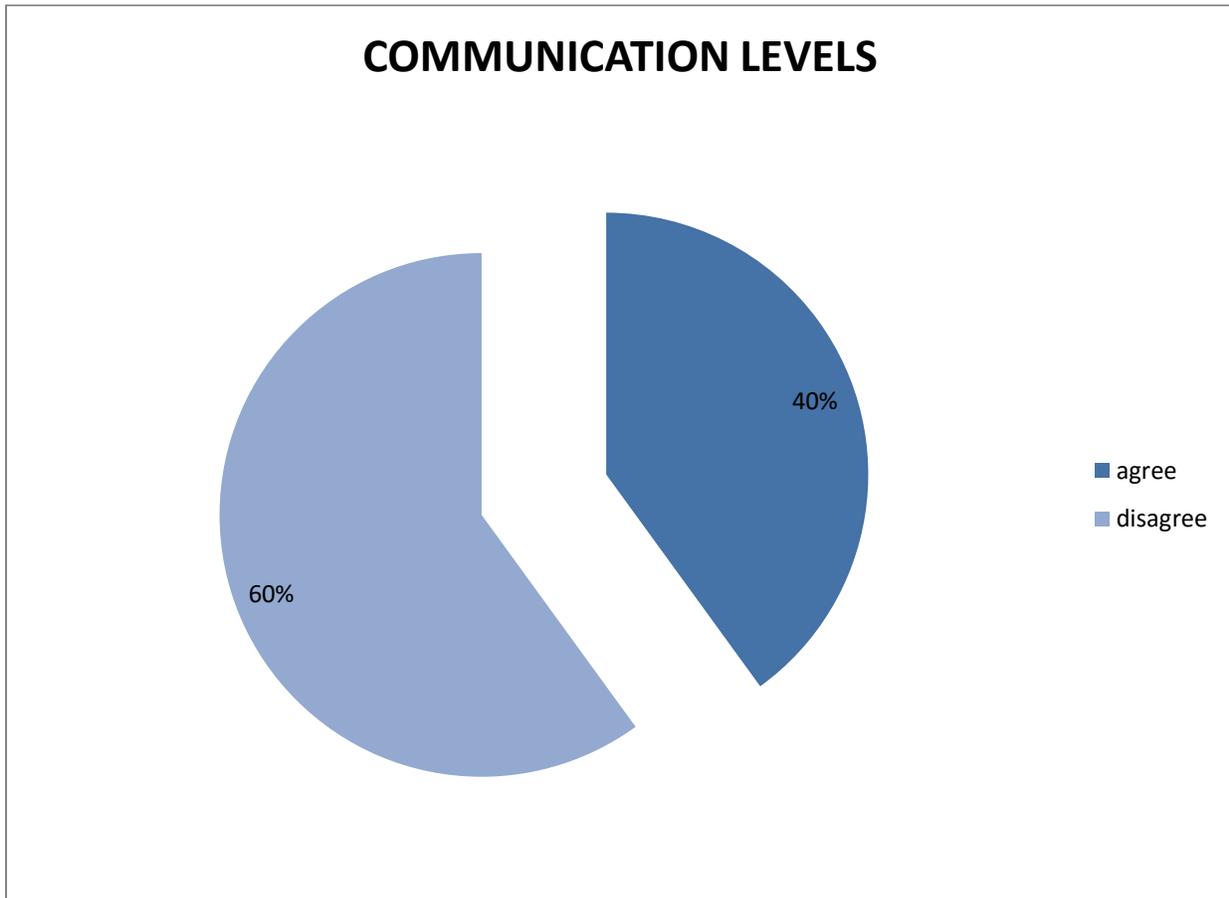
Communication in an organization like Capital Airtime Limited flows both vertically and horizontally. Further, in the vertical direction, communication may be directed downward and upward. According to the researchers finding, the quality of information the employees get is that communication among employees is within a set boundary of which usually they are expected to receive feedback. This is because formal communication in an organization follows an organization's "chain of command" (Bratton et al., 2007). It is impacted by the organizational formal structure, which indicates "the formally prescribed pattern of interrelationships existing between the various units of an organization" (Greenberg & Baron, 2008). Therefore, the formal communication follows the prescribed rules about who is to communicate with whom (Greenberg & Baron, 2008). In this formal communication structure, it is clear who the authority in the organization is that is responsible for answering the subordinate, and who is responsible for answering the superior. These rules about who may communicate with who for the organization to operate properly are fixed and defined (Greenberg & Baron 2008). This means that, they do not change just because of personal reasons. Informal communication, on the other hand, in today's organizations is often used as a means of work oriented communication. The informal connections between members in the organization build an informal communication network through which they share informal information. People in the network transmit information to others with whom they come into contact, so the informal communication breaks off the organizational boundaries (Greenberg & Baron, 2008). Therefore, the information is usually widespread and spreads rapidly (Greenberg & Baron, 2008).

Table 4.2 above shows the extent to which employees of Capital Airtime Limited engage in communication with other members both at the same level and different levels. The table on communication levels in Capital Airtime Limited shows that majority of the respondents agree that communication across the obvious levels is poor.

**Table 4.3: Summary of different communication levels in the organization**

Topic	Agree	Disagree
Quantity and quality information about the organization	40%	60%

**Figure 4.1.1: Communication Levels**



Previous studies have demonstrated that there is a relationship between the quality of communication and total performance in organizations (Tubbs & Moss, 2008). Lack of effective communication is one of the most inhibiting factors of successful organizational performance (Robbins et al., 2010). For instance, communication helps CAT employees to discuss relevant organizational issues and generate and share information necessary for creating ideas and making decisions, so that both the organizational and individual goals are achieved. Members transmit

commands, inform each other of changes, and coordinate to resolve problems and help each other with improvements.

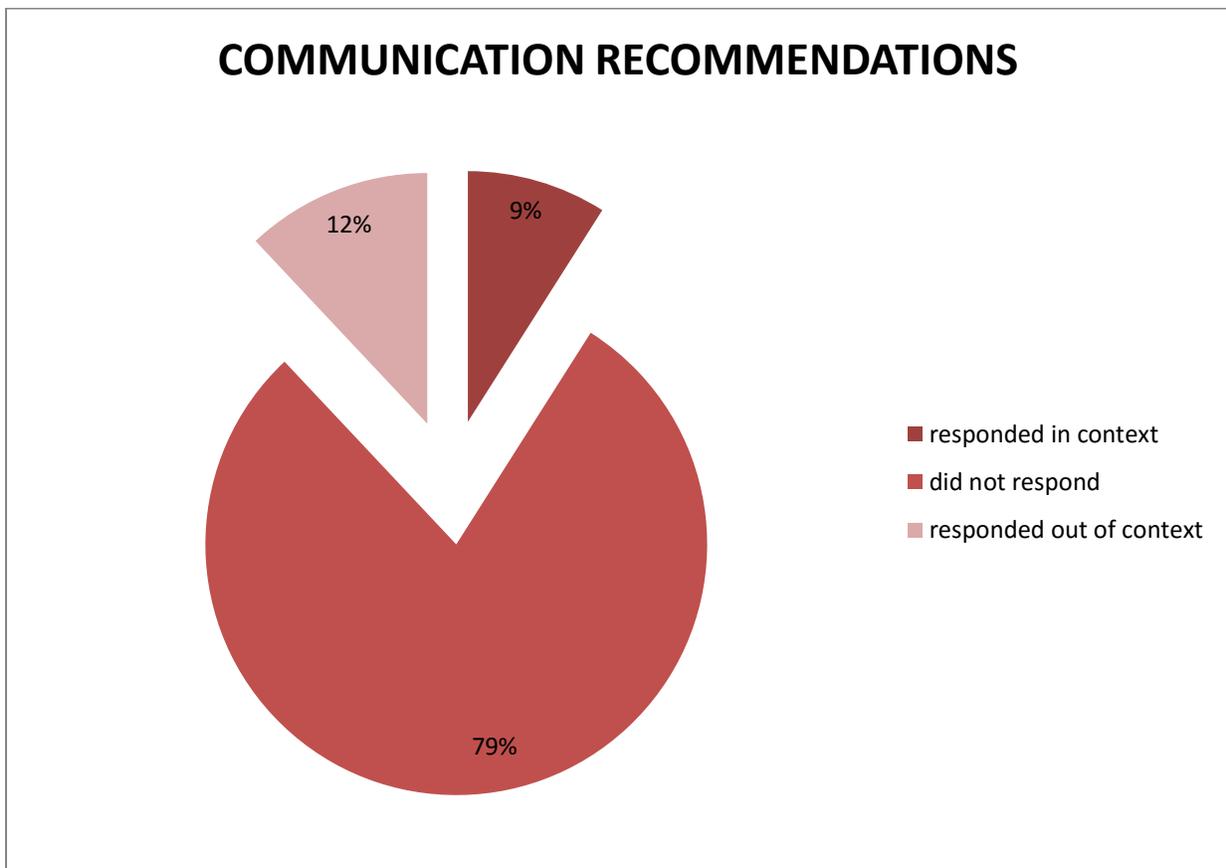
According to Conrad (1985) the functions of organizational communication can be summarized as: the command function, the relational function, and the ambiguity-management function. The command function is that communication that helps people to give and receive orders, and then act on these orders. It allows interdependent members in the organization to coordinate and to accomplish the overall organizational goals (Conrad, 1985). The relational function of communication allows people to develop and maintain personal relationships with others in the organization (Conrad 1985). In addition, since the work group is the primary source of social interaction for many people, communication provides them with a way of expressing emotions, feelings and fulfilling their social needs (Scott & Mitchell, 1976). The ambiguity-management function is that communication deals with, and reduces the lack of clarity or uncertainty in organizations. People talk, interpret, and make sense of new situations, so that everyone understands correctly. As a result of better understanding of different situations, people can predict situations, make decisions, and direct their actions (Kreps, 1990). Effective communication is essential for accomplishing tasks in organizations. Table 4.3 in this study, 60% of the respondents disagree to having quantity and quality information about the organization of which they work for whereas 40% agree to be well informed about the organization.

This is explained by systems theory (Grunig and Hunt, 1984), as relevant to this study because it explains the structure and operation of the organizations and their interaction with the environment. In essence, systems theory describes an organization as a set of parts (or subsystems) that interact within a boundary. This theory clearly brings out the importance of communication among employees of an organization like CAT. This brings out the role of employees to develop dependency on interaction with each other and its environments.

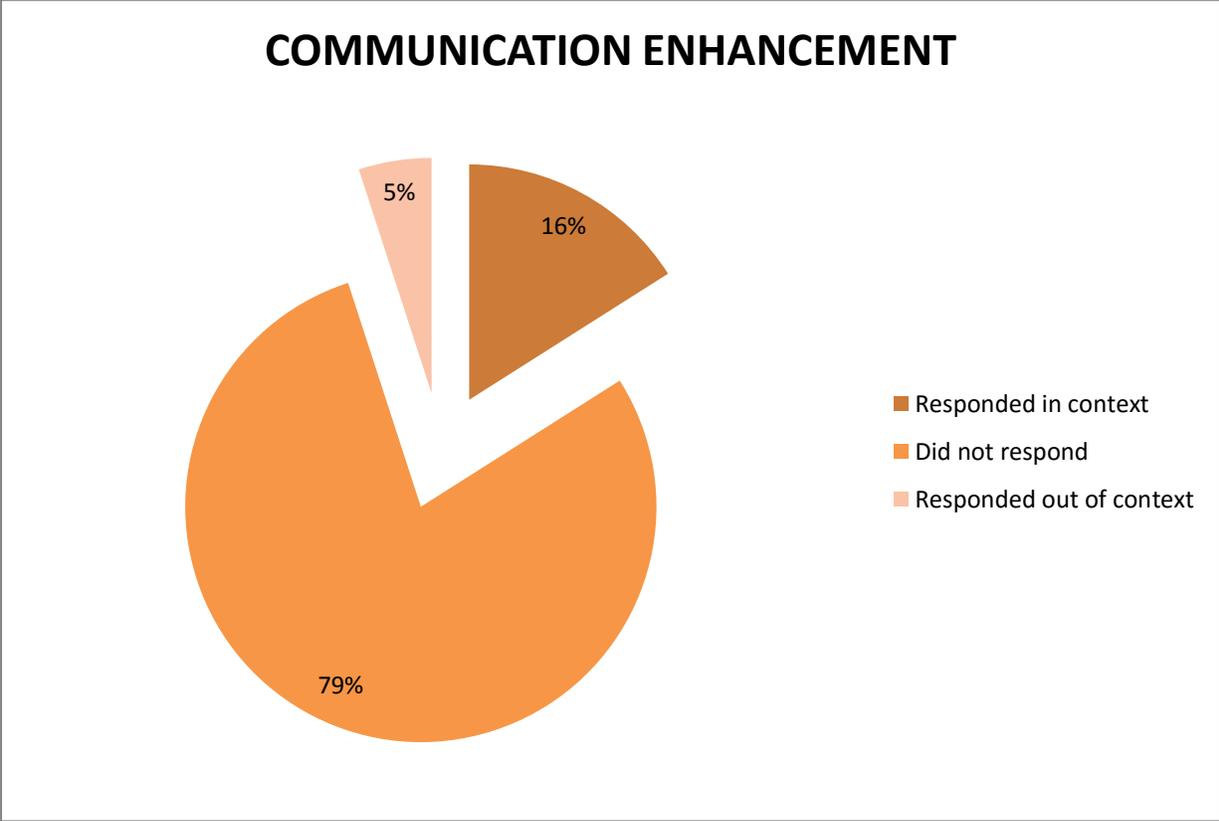
**Table 4.4: Internal Communication practices**

<b>Suggestions</b>	<b>Responded in context</b>	<b>Did not respond</b>	<b>Responded out of context</b>
Communication recommendations to the management of CAT	9%	79%	12%
Organizational Communication enhancement	16%	79%	5%

**Figure 4.2: Communication Recommendations**



**Figure 4.3: Communication Enhancement**



**4.2.2 Internal Communication Practices.**

As seen in Table 4.3, majority of respondents, being 79% did not respond when asked to state communication recommendations to the management of CAT, while 9% responded to the question stating that the management should try and communicate with them more often for easy understanding across the organization. The remaining 12% responded out of context by requesting for incentives for the retail shops they supply with company products while some were requesting for motorcycles for easy movement. The respondents were also asked to suggest the communication enhancements the management of CAT needed to practise. 79% did not respond at all, 16% suggested that the management should practice frequent and constant communication with their staff and 5% responded out of context.

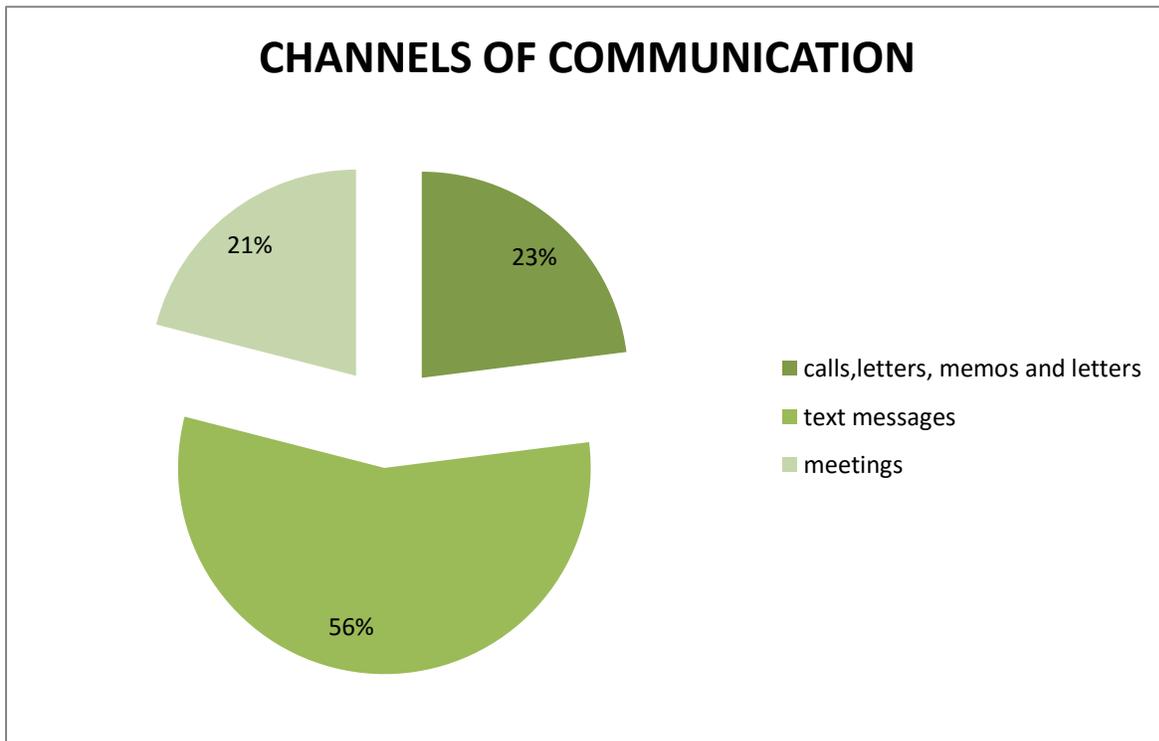
The employees were asked if they could state any recommended communication strategies to the management. This was to help the CAT communication practitioners to know their employees preferred means of communication and whether they preferred the formal or informal style of communication. However, the fact that majority of the respondents did not respond to this question should leave the organization communication practitioner with a lot of questions to answer in order to be able to understand employees in the organization and know employee knowledge, attitudes and behaviours (Stroh & Jaatinen, 2002). They must be able to gauge an organization’s communication climate and analyze the cultural, political and rational dimensions present within their organizations (l’etang, 2008). This should be done in order to create any communication adjustments in CAT.

The importance of Systems theory at this point provides a useful theoretical underpinning for thinking about the role of public relations because it stipulates that an organizations well-being (or otherwise) is dependent on establishing and maintaining relationships both within itself and with its environment. It has to adjust and adapt as both it and its environment change. The theory shows that an organization is built or developed by setting up ways of communication. This is seen when the researcher tries to understand the channels of communication that links the employees at CAT and therefore brings out the behaviour influenced by the preferred mode of communication.

**Table 4.5: Channels of communication**

Questions	Calls, Memos & Emails	Letters, Text Messages	Meetings
Used channels of communication	16%	68%	16%
Preferred means of accessing information	29%	44%	27%

**Figure 4.4: Channels of Communication**



#### **4.3.2.1 Channels of Communication**

The questions on the channels they use to communicate at their work stations was asked and 68% said they mostly use text messages, 16 % stated that they use staff meetings to communicate whereas the remaining 16% said they use other means of communication like memos, emails, letters and phone calls. With that, the respondents were asked to state which means of communication they preferred to be communicated to by the staff of CAT and 44% stated that they preferred text messages, 29% stated that they would prefer to be communicated to via phone calls, letters, memorandums, and emails, whereas 27% preferred meetings.

Tables 4.4 and 4.5 above show how internal communication practices influence employee behaviour at Capital Airtime Limited. In Table 4.3, the respondents were asked to state any communication recommendations to the management of Capital Airtime Limited and a big number did not respond at all. This means majority of the employees do not understand how communication affects their work on a daily basis. Table 4.4 shows how the respondents are only aware of limited means of communication that is short messages (texts) of which the personal

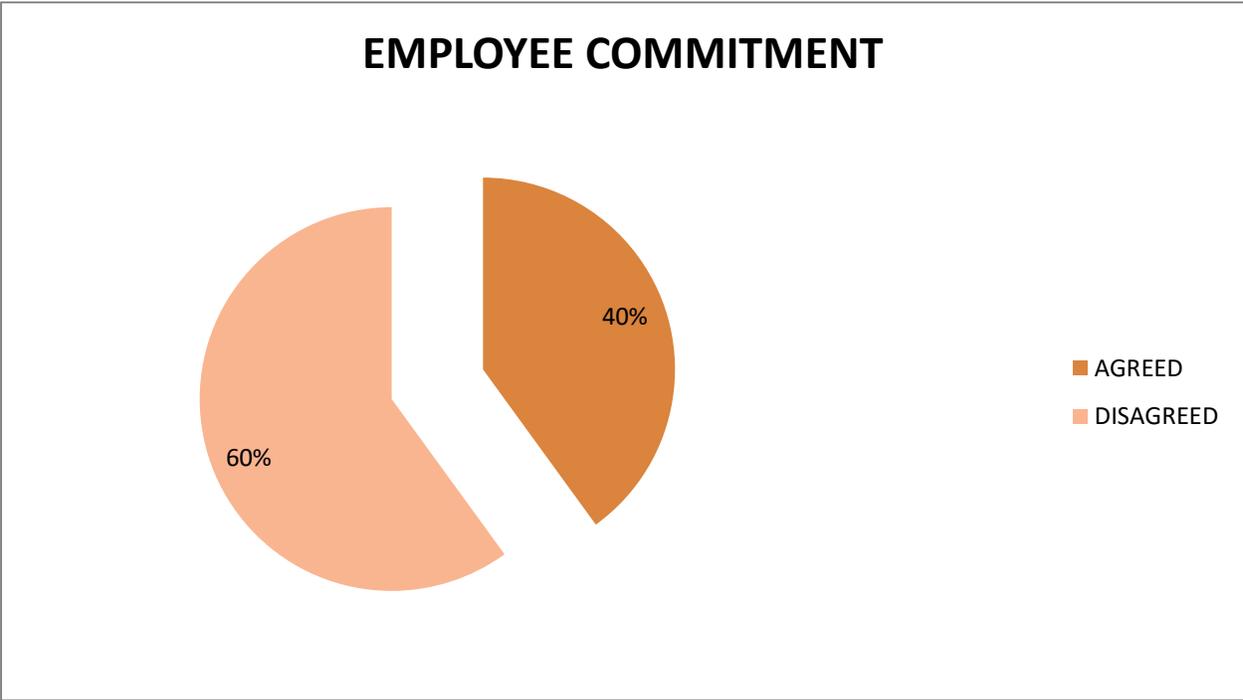
connection to the recipient is minimal or lacking. This practice encourages a working environment whereby we know very little about those who work around us. Thus, an “I don’t care attitude” results. The respondents were also asked about their most preferred means of accessing information and majority of them still stated text messaging.

Systems theorists also argue that interacting units develop patterns of interaction that form the structure of the system, but the structure and the process of creating it are not the same. Like CAT employees prefer using text messages and phone calls to communicate within the company Systems theorists base their definitions of system on the central notion of interdependence or relatedness of elements. System theory shows the need to reinforce and facilitate the interdependence of the departments, work groups and individual.

**Table 4.6: Employee Commitment**

<b>Question</b>	<b>Agreed</b>	<b>Disagree</b>
Is working with CAT as an organization a matter of necessity?	79%	21%
Do you feel that you have too few options to consider when you leave CAT?	49%	51%
Have you ever been demoralized by the organizations operations?	52%	48%

**Figure 4.5: Employee Commitment**



**4.3.3 Employee Commitment**

The section shows the results of the relationship between the internal communication practices of the employees and employee commitment at CAT. On commitment, 79% of the respondents agreed that working for capital airtime is a matter of necessity while 21% disagreed with the question. Whereas 49% of the respondents agreed to be having a few options to consider when they leave CAT, 51% disagreed. In relation to whether they have ever been demoralized by the organizations operations, 52% agreed while 48% disagreed to have been demoralized.

Table 4.6 above shows how internal communication helps predict employee commitment to Capital Airtime Limited. It shows that majority of employees work as a matter of necessity but not because they enjoy their work and are committed to it. The findings also show that majority of the employees feel that they have more options to consider when they leave the organization thus they can always survive working for any other organization not necessarily is not Capital Airtime Limited.

According to research done by Meyer & Allen in 1997, it was proposed that there is a relationship between organizational commitment and organizational outcomes including performance, absenteeism, turnover, and organizational goals. Employees with a higher degree of commitment to their organization are less likely to resign, be absent, or act counter productively by stealing or sabotaging, but are more likely to be willing to share and make sacrifices that are required for the organization to thrive (Greenberg & Baron, 2008; Levy, 2003). According to systems theory, communication is ‘the most significant factor that accounts for the total behaviour of the organization and that ‘the dynamics of the organization can best be understood by appreciating its systems of communication.’ Systems theory brings out the need to maintain interdependence among employees and groups; and this is because a company that places emphasis on positive employee relations is likely to maintain a company culture that allows employees to openly ask questions and seek advice from managers and coworkers.

## **CHAPTER 5**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents the summary of major findings of the study, relevant discussions, conclusions and the necessary recommendations. The study sought to establish the relationship between employee communication and employee commitment at Capital Airtime Limited.

The summary was done in line with the objectives of the study based on the output of the descriptive analyses. Various methods were used to arrive at the findings. These methods included demographic analysis and descriptive statistics.

#### **5.2 Summary of the Findings**

##### **5.2.1 Employee Communication Levels**

The first objective was to identify the extent to which employees of Capital Airtime Limited engage in communication with each other both at the same level and at different levels in the organization. Majority of the respondents disagreed to the questions asked in relation to communication. Respondents were requested to give their opinion on communication levels in Capital Airtime Limited and the results of the employees receiving information about the organization (downward communication) was very minimal; that is, below average. Majority of the respondents only knew and related mostly with the departments that affect them directly but were not informed about the functioning of other departments. Communication with the organizations management was also in question and most of the respondents stated that they would not communicate freely. It emerged that employees rely on each other, managers and companies they work for to provide guidance, training and assistance through proper communication.

### **5.2.2 Internal communication**

The second objective was to explore the various internal communication practices that influence employee behaviour at Capital Airtime Limited. Descriptive results show that majority of the respondents did not suggest anything to the organization as requested when it came to communication whereas the minority number of respondents gave their suggestions with some of them missing the mark to respond directly to communication. The results could be taken to imply that most do not understand the channels of communication at CAT. Respondents were further asked to state their communication recommendations to the management of CAT and to also suggest communication enhancements. Majority did not respond and this could mean that they do not know how to approach matters related to communication and how communication should be channeled in the organization. During the study, the respondents clearly stated that the channel mostly used for communication in the organization was short messages or text messages on phone. The respondents were also asked to suggest the preferred channel of communication. Majority still mentioned text messages as the most preferred channel. In reference to the theory that was used to guide this study an organization was described as a set of parts that interact within a boundary and the findings show how employees of the organization communicate to each other and how they prefer to interact.

### **5.2.3 Employee Commitment**

The third objective was to determine whether internal communication can help predict employee commitment to Capital Airtime Limited. Majority of the respondents agreed that working with CAT as an organization was a matter of necessity. In a different question, majority disagreed with the question that sought their feelings on whether they have few options to consider when they leave CAT. In the last question intended to find out if the respondents are demoralized by the organizations operations results showed that the majority of them are. Results further show that employee communication can explain employee commitment, since, as a company that places emphasis on positive employee relations, it is likely to maintain a company culture that allows employees to openly ask questions and seek advice from managers and coworkers,

reinforcing and facilitating the interdependence of departments, work groups and individuals. The results on this particular objective show that most of the employees of CAT are just there as a matter of survival or most of them use the opportunity to work for the organization as a short break to what they really want to do as a dream job. This means that they can do away with the job whenever they feel necessary. The findings show that the level of commitment in the organization is low and the organization should invest more in communication in order to encourage or motivate their employees to keep on working for the organization.

### **5.3 Conclusions**

From the study findings, conclusions made were that:

Employee communication is effective in determining employee commitment. This is because communication flows in different directions and so does the features of formal and informal communication. Meaning, communication in the organization serves to transmit commands and regulations, reduce ambiguity, and to also create and maintain social relationships among the members in CAT. Employee communication matters in strengthening the existence of an organization such as CAT. This is because continuous communication is the first step in which an organization is created and maintained. If the organization highlights each individual's capability and contribution, provides opportunities for them to participate in decision making, and encourages them to be more involved in the organizational operations, then the employees will tend to commit at higher levels to the organization because they either want to or ought to do so.

## **5.4 Recommendations**

The study makes the following recommendations based on the objectives of the study:

For CAT to be more successful and efficient in employee commitment, it is recommended that they be more transparent in their transactions by frequently communicating about changes or improvements in the organization and also performances so that they are better understood by their employees.

The researcher recommends that the company should develop a communication strategy in order to communicate effectively and meet core organizational objectives.

There is need to improve on internal communication practices and it is recommended that this is done through trainings, workshops, liaising with employees so as to get to know problems “on the ground” and implement solutions to curb them and also to understand their employees better.

CAT should not be reluctant to endorse and adopt other communication channels apart from the short messages sent to employees and short phone calls. It is recommended that the management should work on improving this through encouraging the employees at management level; in this case, the branch managers, to acquire smart phones or provide each branch with a laptop in which they will manage to explore most channels of communication.

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## APPENDICES

### APPENDIX 1: LETTER OF REQUEST TO CAPITAL AIRTIME LIMITED.

JOAN ARWA OGWANG

PO BOX 1105,

KISUMU.

0723444388

CAPITAL AIRTIME LIMITED

PO BOK 45897-00100

NAIROBI , KENYA.

Dear madam,

**RE: REQUEST TO CONDUCT A STUDY ON THE EMPLOYEES OF YOUR COMPANY.**

I am a graduate student of masters of Arts in communication and media technology, city campus. I am carrying out a study on the relationship between employee communication and employee commitment. I have chosen your company as my case study in my research paper and I plan to use questionnaires as a tool in the selected area of study which will be south rift region, nyanza and western regions as categorised by your organization.

I therefore humbly request for your permission to conduct this exercise.

Regards

Joan Arwa

**APPENDIX II: INTRODUCTION LETTER**

Date: .....

Dear respondent

**RE: RESEARCH QUESTIONNAIRE FOR CAPITAL AIRTIME LIMITED EMPLOYEES.**

I am a graduate student of masters of Arts in communication and media technology, city campus. I am carrying out a study on the relationship between employee communication and employee commitment in Capital Airtime Limited.

Your participation would be greatly appreciated if you could share your experience by completing the appended questionnaire. Your responses will be handled discreetly and confidentially. To guarantee this, no names will be indicated. Kindly return the completed questionnaire to me.

Regards

Joan Arwa

## **APPENDIX III: QUESTIONNAIRE**

The questionnaire is divided in 3 sections that should take only a few minutes to complete. Kindly respond by ticking the appropriate box or filling in your answers in the blank spaces. This is an academic exercise and all information collected from respondents will be treated with utmost confidentiality.

### **SECTION A: DEMOGRAPHIC DATA (tick where appropriate).**

1. Kindly indicate your gender

Male [ ]

Female [ ]

2. Please indicate your age bracket

21 and under [ ]

22 to 34 [ ]

35 to 44 [ ]

45 to over [ ]

3. How long have you been an employee of Capital Airtime Limited?

1 to 2 years [ ]

2 to 3 years [ ]

3 to 4 years [ ]

4 to 5 years [ ]

5years to over [ ]

4. What is your Job designation?

5. How long have you been working under your immediate supervisor?

1 to 2 years [ ]

2 to 3 years [ ]

3 to 4 years [ ]

4 to 5 years [ ]

5years to over [ ]

6. How long have you been working with your manager and with whom you communicate the most frequent about non-work reasons?

1 to 2 years [ ]

2 to 3 years [ ]

3 to 4 years [ ]

4 to 5 years [ ]

5years to over [ ]

7. Is the manager you refer to in the last question your immediate superior or the overall superior?

Yes [ ]

no [ ]

8. What is your highest level of Education?

**SECTION B: COMMUNICATION LEVELS. (Tick where appropriate)**

1. Do you receive information about changes within the organization?

Yes [ ]

no [ ]

2. Do you receive information about the overall performance of the organization?

Yes [ ]

no [ ]

3. Do you receive information about the organization's strategy?  
Yes [ ] no [ ]
4. Do you receive information about the functioning of other departments within the organization?  
Yes [ ] no [ ]
5. Does management often take the initiative to discuss organizational issues with you?  
Yes [ ] no [ ]
6. Do you take the initiative to communicate with the organization's management?  
Yes [ ] no [ ]
7. Which channels of communication do you use at your work station?
- a) Memos [ ]
  - b) Notices [ ]
  - c) Emails [ ]
  - d) Websites [ ]
  - e) Newsletters [ ]
  - f) Text messages [ ]
  - g) Meetings [ ]
8. Which is your preferred means of accessing communication feedback from management?
- a) Memos [ ]
  - b) Notices [ ]
  - c) Emails [ ]
  - d) Letters [ ]
  - e) Phone calls [ ]
  - f) Text messages [ ]
  - g) Staff meetings [ ]

9. Do you often take part in decision making concerning issues involving the organization as a whole?

Yes  no

10. Do you often receive feedback about the work you do?

Yes  no

### SECTION C: EMPLOYEE COMMITMENT

1. Would you be very happy to spend the rest of your career with this organization?

Yes  No

2. Do you really feel like this organization's problems are your own?

Yes  No

3. Do you feel a strong sense of "belonging" to your organization?

Yes  No

4. Does this organization have a great deal of personal meaning for you?

Yes  No

5. Is working for capital airtime limited as an organization a matter of necessity?

Yes  No

6. Would it be very hard for you to leave the organization right now, even if you wanted to?

Yes  No

7. Would your life be disrupted if you decided you wanted to leave the organization now?

Yes  No

8. Do you feel that you have too few options to consider when you leave CAT?

Yes

No

9. If you had not already put so much of yourself into this organization, would you consider working elsewhere?

Yes

No

10. Do you feel any obligation to remain with your current employer?

Yes

No

11. Even if it were to your advantage, do you feel it would be right to leave CAT now?

Yes

No

12. Does this organization deserve your loyalty?

Yes

No

13. Have you ever been demoralized by the organizations operations?

Yes

No

In relation to communication, what would you recommend to the management of capital airtime limited in order to boost your job satisfaction?

What suggestions would you offer the management of capital airtime limited in order for them to enhance their organizational communication?

END.

Thank you for your time.

## **TURNOVER IN CAPITAL AIRTIME – 2013**

There were various reasons for staff turnover in the year 2013 and the main ones we picked from exit interviews conducted in that period were as listed below:-

### **1. Poor Recruitment process**

The recruitment and/ or vetting process by the Regional Managers was inadequate and this saw the wrong crop of staff who mainly gave unsatisfactory results and embezzlement of company monies.

### **2. Downsizing of the company.**

The inflation of the economy led to the organization having to downsize which saw some positions being done away with by merging departments and duties.

### **3. Young and vibrant employees**

This is an advantage and is our main focus of workforce. However, the young are hungry to advance with in their studies and careers thus don't settle in well and after a short time leave to pursue other fields.

### **4. Personal life advancement**

Most employees also have been forced to choose between a personal life and a work life. This does not sit well with the current, younger workforce, and has seen especially the female staff quit after marriage or after giving birth.

### **5. The job did not meet expectations.**

It has become all too common for a job to significantly vary from the initial description and what was promised during the interviewing stage. This is especially for the sales / field staff who will have a notion that its an easy job but once they actually start the runs or selling, they get discouraged and leave.

### **6. People skills are inadequate.**

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TEL: 020-520530/1/2  
FAX:020-2520533

Some Branch managers were promoted because they did their jobs very well and we later learnt they had zero leadership skills and they were unable to get along with the team assigned. Training has been since offered.

**7. Raises of Salaries**

Although money was not usually the primary reason, staff left the organization to work for a higher pay. This is however a very low degree given that the company may freeze pay hikes for staff due to the economy being so poor, but we offer better competitive wages and benefits.

**8. Growth opportunities not available.**

Since the company is still growing and positions in the organization of growth are not a lot, some employees felt trapped in in dead-end positions. They thus left in search of greener pasture in order to grow in status and compensation.

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*G.M*

SECURITY DEPT MEETING - 13<sup>TH</sup> AUGUST 2013

The following are the issues that need to be addressed

	DESCRIPTION	DUE DATE	BY	
1.	Source and mount kitale container <i>-progressive -</i>	Sept meeting	fred	-from container date Nov 1 <sup>st</sup>
2.	Branch managers JDs to be finalized and dispatched ✓	Sept meeting	fred	
3.	Circular to RMs a) to ensure that all shorts are reported to GSM promptly b) to ensure offs/leaves are taken upon filling of form which is promptly sent to hq. c) to ensure that names those who do not report to work are escalated to GSM	21st aug	fred	
4.	Memo to western RM on short reporting delays ✓	21st aug	fred	
5.	Progress on old recoveries (see table below)	Sept meeting	fred	
6.	Draft policy on recovery facilitation	Sept meeting	fred	*
7.	Open a file with individual loss briefs	Sept meeting	fred	*
8.	Progressively document unrecoverable losses	Sept meeting	fred	*

BRANCH	DATE	NAME	AMOUNT	RECOVERED	RECOVERY-2012	BALANCE	
ELD	24.01.2011	Gideon Tanui	58,631.00	11,510.03		47,120.97	out
ELD	21.07.2011	Ben Mulemeti	50,000.00	15,640.00		34,360.00	2/11 demand
Nandi Hills	14/09/2011	Chelagat	169902 179,465.00	20 30,000.00		149,465.00	out ✓
MIGORI	8/31/2012	Job Ombongi	240071	23,450.00		23,450.00	out
HOMA BAY	12/31/2013	Moses Agallo	240137	89,290.00	54,267.00	34,809 35,023.00	out
MUMIAS	7/23/2011	Jalon ayoo	84,920.00	35,377.00		49,543.00	out
Iten	11/1/2011	Vincent Kiptalam	216,505.00	82,148.90	BIKE KIMW 269 P	127,000 out 216,505.00	7/2 bill 1516 bill
KAKAMEGA	7/11/2011	Damaris	473,429.00	29,307.00		444,122.00	out
MUMIAS	10/31/2012	Shirley Apiyo	82,597.00	11,000 <sup>8 salary</sup>	20,000.00	49,579 62,597.00	13/11
Kisumu oyugis	2/22/2012	Kennedy Obiero	96,520.00	5705 19,725.00		71295 76,795.00	25/11
TOTAL			1,242,067.00			1,138,980.97	

Header number  
 11 - 701.000 - 701.000 - undated

FINANCE/ AUDIT DEPT MEETING. 21<sup>ST</sup> AUG 2013

REPORTING

- Confirmations are now up to date and done daily
- Kiss have repaid approx 67% of debt
- Payment schedule once prepared will not be adjusted, any pending item shall be rolled of to the next month
- FD have been consolidated in records

The following are the issues that need to be addressed

	DESCRIPTION	DUE DATE	BY
1.	Monitor iten, homabay bankings <i>- have been streamlined</i>	31 <sup>st</sup> august	franacis ✓
2.	Scholar reliever	28 <sup>th</sup> aug	susan ✓
3.	Losses shall be refunded to WC quaterly	On going <i>1<sup>st</sup> dec</i>	susan
4.	Losses that have been recovered from externals sources (other than saving, salary) need to be reported separately	On going	fred
5.	Phones working capital reconciliation to be done separately from cards	On going ✓	susan
6.	Pursue kiss cards bounced cheque <i>confirm - Thubg - with next order</i>	23 <sup>rd</sup> aug ✓	mlei
7.	Pursue stars bounced chegue	28 <sup>th</sup> aug	susan
8.	Need to get comparative quotes for repairs & maintenance <i>↳ busy</i>	ongoing	mlei
9.	for purchase of asses, create LPO against quotation	ongoing	mlei
10.	For purchase of assets get invoice + delivery note	ongoing	mlei
11.	Asset register <i>plis confirm</i>	30 <sup>th</sup> sept	francis
12.	Get invoce and <u>deliv</u> ery for server CPU ✓	23 <sup>rd</sup> aug	mlei
13.	Meet saf finance for CRT accounts closure and monthly reconciliation of commission	31 <sup>st</sup> aug <i>15<sup>th</sup> oct</i>	susan
14.	Berly to farmiliarise herself with soft copy of drawings	31 <sup>st</sup> aug ✓	susan
15.	I&M 5m debt to be repaid by dec from <u>1m</u> monthly savings <i>for course - 2m already</i>	31dt dec	susan
16.	Focus on hq operations <i>- pending payroll - expenses</i>	ongoing	francis

## REGIONAL DEPT. MEETING 14th AUG

### Review

- High rate of turnover due to lack of following company procedures
- Stock and float supply has been good
- Mpesa performance has greatly improved

### Issues raised

- ~~Open~~ new branches (bungoma, borsheba), rebranding— This has been put on hold subject hq alignment
- Western and north regions alarms need to be repaired – FRED
- ~~Cash~~ holding level at branch need to be monitored - FINANCE/ RMs → Sales → daily
- Dsas need to need encouraged to sell more by increasing their targets and closely monitoring – RMS
- Shops to extend mpesa working hours – RMs/ JACKY
- ~~Request~~ buffer weekend stock to cater for increased demand – MLEI *kip authority*
- Penalty for non-banking moved from branch to BM – MLEI/FRANCIS = 500/- per day
- ~~Need~~ for motorbikes to secure market share, priority to long serving staff – FRANCIS ✓
- Relocate branches (mwea, mbita, ravine, kisii) to increase shop traffic – RMs
- Need for a reliever in North rift due to coinciding maternity leaves – MARK
- Need to reinstate mwea reliever guard – RM/FERD
- Stock level, timing of stock delivery needs to be considered in the braches that have new dsas – MLEI
- Implement intra region branch incentive – JOAN
- ~~Instill~~ BM roles and responsibilities – HR, RMs
- Pending leave days for 2012 to be addressed - FRED

HR DEPT MEETING. 21<sup>ST</sup> AUG

REVIEW

- o All pending appointment letters have been dispersed
- o BMs JDs have been dispersed to branches

TO DO

The following are the issues that need to be addressed

22/10/13

	DESCRIPTION	DUE DATE	BY
1.	Signed appointment letters need to be promptly send back to hq, for accounts to include in pay roll	ongoing <i>of which many - software ✓ ongoing</i>	fred
2.	HR to have complete documents ( eg appointment letters, resignations, reinstatement) before payroll is adjusted	ongoing <i>still many incomplete</i>	fred
3.	JDs for all job ranks to be revised <i>hqn, d/s, hq</i>	13th sept <i>hqn ✓ rest pending</i>	Pauline/fred
4.	KPIs to be done for all job groups	13th sept	Pauline
5.	Training to be done quarterly per region as per the training needs raised by staff	On going	fred
6.	All communication from hq to branch needs to be in circular forma and put up in branch notice board ✓ <i>via hms</i>	23 <sup>rd</sup> august	fred
7.	Hr database to be set up in soft copy <i>- get 3 quotations</i>	13 <sup>th</sup> sept <i>30<sup>th</sup> Nov</i>	Pauline/fred
8.	BMs annual leave to be managed/scheduled	31 <sup>st</sup> august	fred
9.	All disciplinary action taken at branch level neds to b documented and communicated to hq ✓	23 <sup>rd</sup> august	fred
10.	Directors file	31 <sup>st</sup> august	Pauline
11.	Dsas transport needs to be released by the BM on a weekly basis	23 <sup>rd</sup> august <i>done ✓ progressively</i>	fred
12.	Salary scale structure/policy	30 <sup>th</sup> sept <i>8<sup>th</sup> Nov</i>	Pauline

17.	Monthly reports need to be submitted by 5 <sup>th</sup> of every month, save finance + 10th	ongoing	mlei
18.	Close months for branch reconciliation by 10 <sup>th</sup> - lck slips	ongoing	francis
19.	Eldoret to be audit at least quaterly ✓	ongoing	francis
20.	Stock reconciliation needs to be done vs sales vs bankslips -a system for stock control needs to be set	Ongoing 31st aug	susan

opening & closing

mlei

- For **motorbikes** we need to present safaricom with a list of favoured models for them to consider in the offer list to dealers.
  - Action – Peter – 3/7/15
- We are under pressure to be **tax compliant** on the benefits staff receive. Thus airtime shall be subject to tax hence forth. The super dsas shall also be subjected to PAYE then refunded a similar amount. For this they shall provide supporting documentation.
  - Action - -Thuita – memo notifying staff – 3/7/15
  - Action – Thuita – memo to super dsas – 3/7/15

## 2. HR

- The rate of **turnover** is very high with new staff leaving even before their files are fully operational. Thus more focus should be putting during recruitment by the RMs. Thus all applications should be forwarded to the Hq by the Rms
  - Action – mlei – communicate to the RMs – 3/7/15
- **Appointment letters** take too long before they are returned to the hq. RMs shall be reminded that the letters should be signed at the shop and sent back with the next weekly summaries.
  - Action – mlei – 30/6/15
- **Linda jamii** shall be renewed on 10<sup>th</sup> July when the previous cover expires. Joan and Juzer as RMs shall be moved back to AAR
  - Action – Pauline – 9/7/15

## 3. MPesa

- **Performance** has reduced slightly due to the reeducation of working capital occasioned by loss to conmen. This is mostly so to our agents. For Capital we shall only put old staff to mann tills open in new areas as a way to minimize our exposure to conmen
  - Action – Mlei – communicate to Rms – 3/7/15
- Branches are now operating more efficiently with their own **working capital**. There has been requesting of increasing the working capital for some branches. This has been sourced from stock working capital. There is thus need to add mpesa WC for branches and HQ till.
  - Action – thuita – 17/5/17
- **Drawings** from galana and koinange till are draining the working capital resulting in a reduction of operation. This has drastically affected galana till
  - Action – thuita – constantly pursue payback of drawings
- **Lipa na mpesa** is being used by most of the branches. This has resulted in faster and saver sales cash transfer to the portal
- Some ASMs are still taking long in approving **relocations** of till.
  - Action – Jacky – do mail to safaricom and cc mlei

## 4. Finance

- All staff are required to individually submit their **tax returns**. This has been simplifird by the use if itax. For those who may need any assistance there may call accounts or visit the nearest huduma center.
- There is need to replace faulty and old **ETR** machines. Priority shall be on the faulty ones
  - Action – peter – going
- The safaricom **BG** has been retained at 10m.

- We need to look for additional sources of **income** eg, accessories
- There is need to mainstream **eldoret** for purposes of **accountability**. This shall be done after the mid year stock take
  - Action – mlei – inform CEO, direct juzer – during stock take

#### 5. Sales

- Safaricom have for the first time shared the **DOSA audit** report. This can now serve as reference to the particular areas we need to improve on per branch
  - Action – mlei – formulate action schedule
- We have received 15m weekend **credit** from safaricom twice. However our sales has not improved. This shows that stocking is no longer an issue. The Rms have been urged to recruit more
- There are dsas who purchase directly from the shop (**independent dsas**) yet get paid the same 2% commission as our staff. Their number is slowly increasing yet once they become independent their sales drops to lower than 30%. To make this a less attractive option to our current dsas, we shall change the commission paid out to them to 1.35%, which is the current rate from safaricom. Wef 22/7/15
  - Action – Pauline – write a letter stating the change – 10/7/15
- We are currently stocking many **phones** that are more than 1.5 years. As the market prices have dropped we shall mob up and dispose all phones purchased earlier than 2014. The cost of this shall be reduce from the working capital as a loss.
  - Action – mlei – 30/6/15
- **Kisij** shop has failed time and again to grow. With the moving of the staff to rongo we thus propose that the branch be shut down.
  - Action – mlei – communicate to RM – 30/6/15
  - Action – mlei – one months notice to landlord – 1/7/15

**B. The next meeting shall be on 24<sup>th</sup> July 2015**