

A Study on the Significance of Organizational Communication

Divya Aggarwal*

Student, Ajay Kumar Garg Institute of Management, Ghaziabad, Uttar Pradesh, India

ABSTRACT

Corporate communication is the key to a successful business and is an important tool to carry out the exchange of information between different functional groups in an organization. The objective of the study was to investigate the effectiveness of the internal communication system within various departments at IndianOil, Pipelines Division, Noida. Based on a sample size of 100 respondents, the study was conducted using a close-ended questionnaire. The research was of descriptive type; stratified random sampling was used; and convenience sampling was adopted. This was because the respondents were the employees of IndianOil, Pipelines Division, Noida; they were taken from only a few of the IndianOil departments, and were divided into mutually exclusive groups of officers-level, staff-level and worker-level employees.

Keywords: corporate communication, internal communication, organizational improvement

***Corresponding Author**

E-mail: ishankaggarwal8@gmail.com

INTRODUCTION

It was observed that the internal communication system in the Pipelines Division was quite effective. The electronic as well as computerized media had made the communication system very effective; however, at the same time, many employees at the staff and worker levels did not have access to personal computers, and a lack of proper knowledge on the usage of computers was also observed. The written publications of IndianOil Corporation Limited (IndianOil) are interesting and effective, but they fail to reach certain remote areas of the Pipelines Division within the specified time. A suggestion was put forward that as there is lack of awareness and access to the electronic and computerized media among certain employees of IndianOil, training sessions for these employees should be conducted from time to time for the up-gradation of their knowledge on a regular basis.

ORGANIZATIONAL STRUCTURE

The whole of IndianOil works under the corporate office located at New Delhi. It

follows hierarchy structure where the decision flows from top to bottom and the data flows from bottom to top. Under the corporate office, there are five divisions, namely Pipelines, Refinery, R&D, Marketing, and Assam Oil divisions [1].

CUSTOMERS OF THE COMPANY

The whole nation is said to be the customers of IndianOil. Likewise, there are three sectors, namely:

- Primary sector (e.g. Agriculture)
- Secondary sector (e.g. Industries)
- Territory sector (e.g. Services)

COMPETITORS OF THE COMPANY

IndianOil has been ranked the second position amongst the top 50 most valuable brands of India, assessed by global brand valuation firm, London – head quarter brand finance. Much of this come from the sheer scale and strength IndianOil commands in its sector. It stands tall amongst giants like Tata Consultancy Services, Tata Motors, Wipro Technologies, and State Petroleum Companies BPCL and HPCL. IndianOil

has also a place of pride in the coveted list of 2006–2007 [2].

There are so many competitors of IndianOil, namely

- Bharat Petroleum
- Hindustan Petroleum
- Reliance Industries
- ONGC

RESEARCH DESIGN

Here in this research, I used “Descriptive Research”. This research was based on a survey conducted using questionnaire and the population consisted of different categories of employees of the IndianOil, Pipelines Division, Noida. The responses collected from the respondents became the basis of the research. After the analysis of the data, a suitable interpretation and suggestions were provided to the organization.

The organization was able to know the satisfaction levels of their internal customers regarding the flow of information within the workplace. In addition, if there was any need for improvement in the flow of effective communication, the organization would be able to take necessary measures in advance.

For this purpose of the study, a structured close-ended questionnaire consisting of 16 questions was prepared. This was done so that the respondents could mention their views and feedbacks; thereby, a better and deeper insight into the study could be developed. Thus, this was a descriptive type of research study.

Data Requirements

The data were collected from two sources:

- **Primary sources:** A structured close-ended questionnaire was prepared for this.
- **Secondary sources:** Secondary data, such as journals, official publications, newsletters, etc., were used.

Sampling Procedure

The sampling procedure used was “**Stratified Random Sampling**” as the population was divided into mutually exclusive groups of officer-level, staff-level and worker-level employees. Then, “**Convenience Sampling**” was used as the respondents were the employees of only IndianOil, Pipelines Division, Noida, and the data were collected only from few of the Pipelines Division departments, according to the convenience of the researcher.

The departments considered were as follows:

- IT department
- Finance department
- HR department
- Operations department

Among all the respondents, the ones who are getting proper communication and the ones who were not getting proper communication at the workplace within the specified timeframe were classified and suitable suggestions were provided.

Sample Size

Sample size refers to the number of elements to be included in the study.

For conducting the survey, the sample size taken was 100 respondents – 25 each from the IT, Finance, HR and Operations departments. As the study was done only within the premise of the IndianOil Pipelines Division, Noida, based on their total and limited employee capacity, the sample size was narrowed down to 25 respondents from each department.

Data Collection Instrument

As the research was based on a survey conducted using questionnaire, analysis of data was done statistically as well as graphically, after the questionnaire was filled by employees. The responses were collected in terms of numbers, attitudes, etc., and then depicted in terms of

tabulation, bar charts and pie charts; in addition, some statistical tests such as chi-square test, were also used. At the end of each frequency table 1, a brief interpretation was given for easy references and understanding.

DATA ANALYSIS AND INTERPRETATIONS

Descriptive Statistics

The following are the responses collected from the respondents.

Table 1. Percentage of receiving the information regarding internal communication.

Media	Yes	No	Total
E-Reflections	96	4	100
IndianOil Xpress – Xpress News	96	4	100
Performance Highlights	98	2	100
IndianOil News	96	4	100
Webcast of Director's Message at PMC	100	0	100
Valid percent	97.2%	2.8%	100%

Nearly 97.2% of the respondents read all the mentioned publications for internal communication, related to IndianOil, Pipelines Division, Noida, and about 2.8% of the respondents did not read all these publications.

Thus, 97.2% of total Yes respondents include as 96.0% of respondents reads E-Reflections, IndianOil Xpress – Xpress News and IndianOil News. Nearly about 98.0% of respondents read Performance Highlights and 100.0% of the respondents reads Webcast of Director's Message.

Thus, it can be inferred that most of the employees of IndianOil, Pipelines Division, Noida, were aware of all the events, competitions, schemes, etc. that are organized within the organization. And it shows that publications are getting delivered to everyone by the management to all the employees and the important aspect is that people are reading it and the dissemination of information is good and it is reaching to the target audience [3].

Table 2. Respondents getting information in the language they are comfortable with speaking, reading and writing.

		Frequency	Percent	Valid percent
Valid	Yes	89	89.0	89.0%
	No	11	11.0	11.0%
	Total	100	100.0	100.0

It was noticed that nearly 89.0% of the respondents were getting the information in the language preferred by them and 11.0% of the respondents did not get the information in their preferred language table 2.

Table 3. Employee being well-informed or aware about all the events organized by the Pipeline Division, Noida.

		Frequency	Percent	Valid percent
Valid	Yes	75	75.0	75.0%
	No	25	25.0	25.0%
	Total	100	100.0	100%

Most of the employees were comfortable with the language in which they were being communicated by the management. It can be said that the authority had made sure that most of the employees understood the information that was communicated to them very thoroughly. This is because majority of the employees received the information in their preferred language.

From Figure 1 the study, it was found that nearly 75.0% of the respondents were well-informed about all the events organized by the refinery from time to time and 25.0% were not well-informed about these events. The information regarding the events organized by the refinery was well-communicated by the management to the employees. However, there were still some sections of the employees who were not aware of all the events organized by the IndianOil Pipeline Division, Noida table 3.

Figure 2 showed that nearly 46 respondents were **highly satisfied** with the information about the company policies

and goals, 52 respondents were only **satisfied** and only 1 respondent was **dissatisfied**. For an organization to reach the highest level, framing relevant policies, having right goals and communicating them in a right frequency to each employee is the mantra. If the employees are satisfied with this mantra, efforts from them can be expected, which in turn supports the organization to taste the fruit of success. This finally makes the organization truly remarkable in the market [4].

It can be inferred that a maximum number of employees were satisfied with the information about the IndianOil's policies and goals which encourage them to put their best effort every now and then. And, they reflect the company goals and values

at their workplace. However, it was observed that some of the employees have some issues with the policies of the management fig 3.

From Figure 4, nearly 44 respondents were highly satisfied with the internal information flow at IndianOil, and 56 respondents were satisfied with the internal information flow at the IndianOil Pipeline Division.

It can be said that there was a free flow of internal communication among the departments and at various locations at IndianOil, Noida.

It is the communication which is effective and quick.

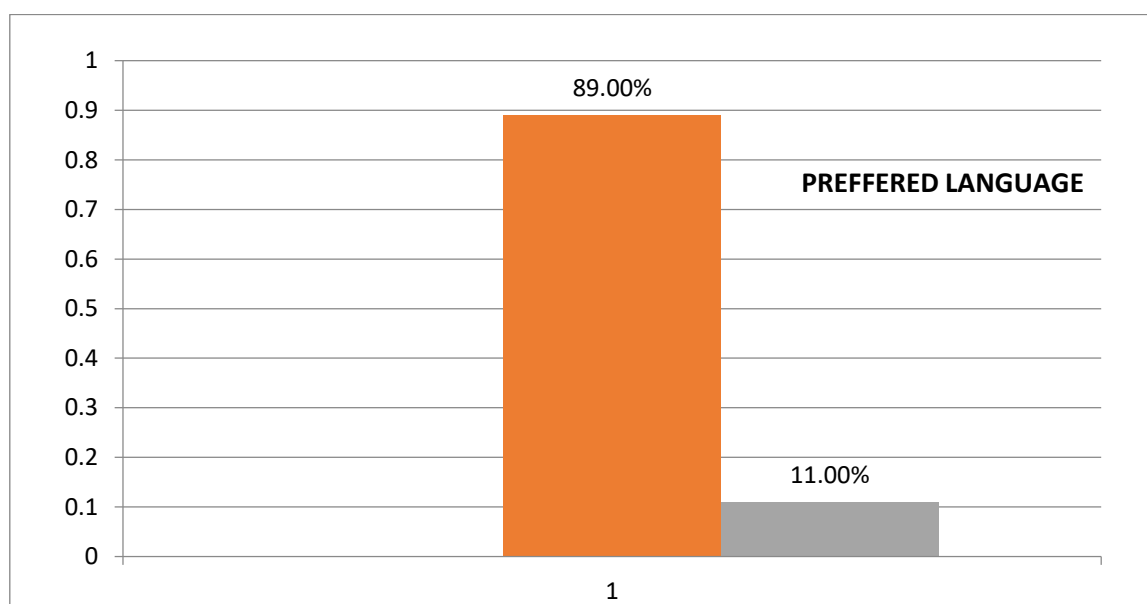


Fig. 1. Respondents getting information in the language they are comfortable with speaking, reading and writing

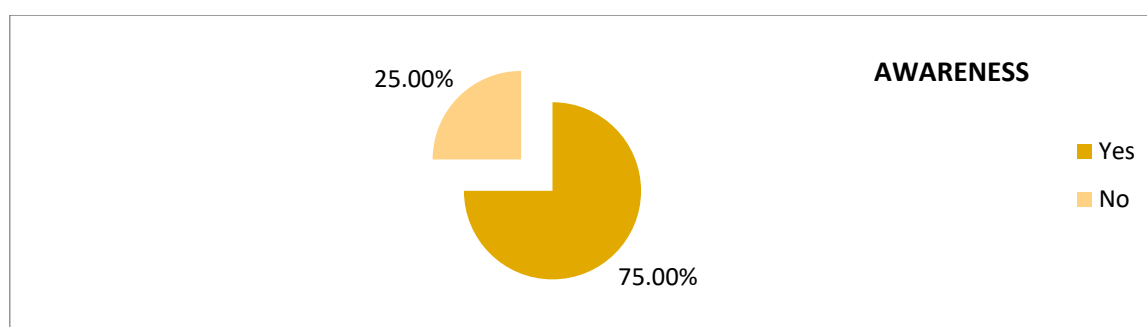


Fig. 2: Employee being well-informed or aware about all the events organized by the Pipeline Division, Noida

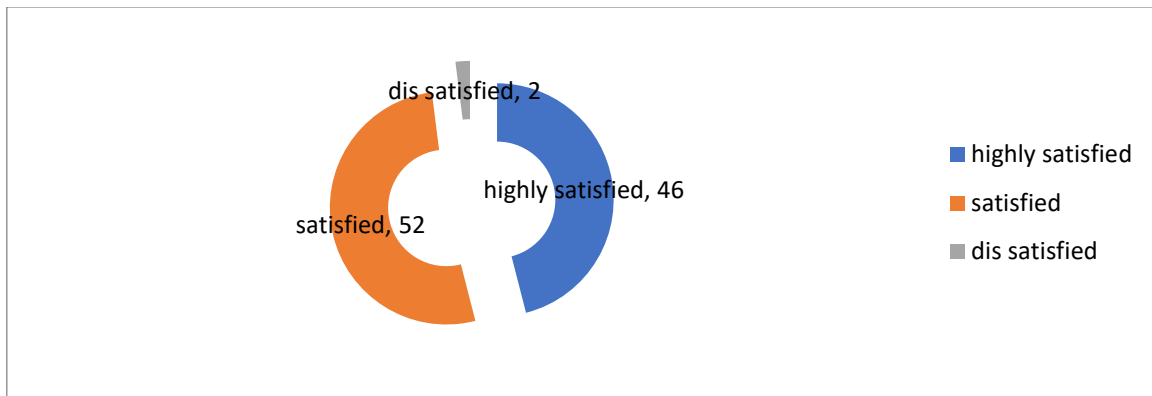


Fig. 3: Satisfaction level Regarding the Company Policies & Goals

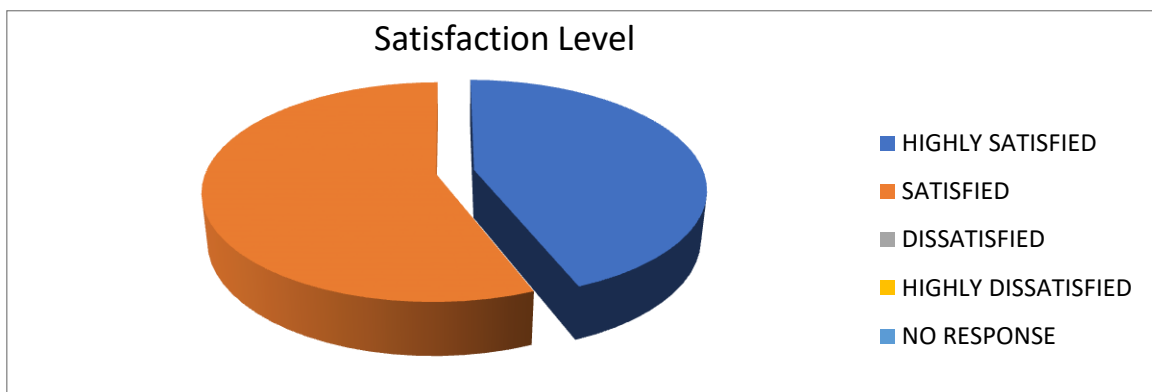


Fig. 4. Satisfaction level regarding the Internal Information flow within the IndianOil Pipeline Division.

Table 4. Satisfaction level regarding the extent to which the company's publication is informative and engaging.

		Frequency	Percent	Valid percent
Valid	Highly satisfied	50	50.0	50.0%
	Satisfied	50	50.0	50.0%
	Dissatisfied	0	0	Nil
	Highly dissatisfied	0	0	Nil
	No response	0	0	Nil
	Total	100	100.0	100.0%

Nearly 50 respondents were **highly satisfied** with the company's publication and 50 were **satisfied** with the above criterion table 4.

It can be inferred that the IndianOil needs to put more efforts toward its print publication to make them more interesting, attractive, informative and helpful among the employees. This is because, about 50 respective employees were satisfied and highly satisfied with the quality of the information being provided through these publications.

From the survey, 7% of the respondents were highly satisfied with the flow of horizontal communication within the employees, 9% were satisfied, 74% were neutral, 4% were dissatisfied and 6% of the respondents were highly dissatisfied with the above criterion. Along with the vertical flow of communication in the organizational hierarchy, i.e. from top to bottom or vice versa, the horizontal flow of communication also plays a pivotal role in the success of an organization. From Figure 4, it can be found that there exists a healthy flow of horizontal communication

among the employees of various departments in the IndianOil fig 6.

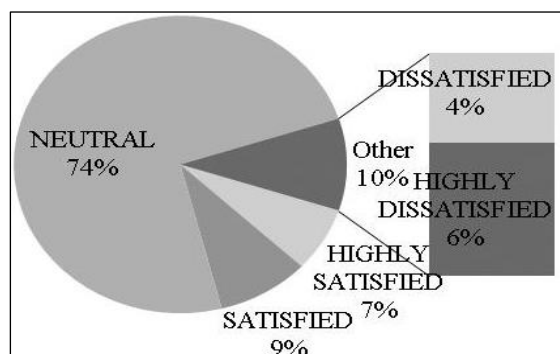


Fig. 5. Satisfaction level regarding the extent to which horizontal communication with other employees is accurate and free flowing.

From the survey, it can be seen that nearly 5 respondents were highly satisfied with the adaptability of the communication practice followed in the IndianOil, 37 were satisfied, 39 were neutral, 10 were dissatisfied and 9 respondents were highly dissatisfied with the above criterion. From Figure 5, it can be said that the communication practice within the IndianOil lacks adaptability in case of unforeseen happenings or certain emergencies. From the varying response of the employees, it could be understood that the management should follow certain practices of communication that can be easily adapted during emergencies for a better tomorrow [5].

From Figure 8, nearly 44.0% of the respondents preferred the **e-mail**, mode of internal communication, nearly 38.0% of the respondents preferred all mentioned media of internal communication, i.e. **print, web portal/ social media, e-mails**, and 18.0% of the respondents preferred the **web portal/ social media**, mode of internal communication fig 7.

It can be inferred that most of the respondents preferred the **e-mail**, mode of internal communication than Web portal/ Social media or Print. Here, the **e-mail**

mode refers to communication among the employees through E-reflections, Performance Highlights, etc. on the Intranet.

A comparatively small number of employees preferred all mentioned media of internal communication i.e. **print, web portal/ social media, and e-mails**. A comparatively less percentage of employees preferred **web portal/social media**, media of internal communication.

From Figure 9, it can be seen that nearly 52.0% of the respondents reads publications of internal communication related to IndianOil Pipeline Division regularly and nearly 44.0% of respondents reads sometimes and about 4.0% of respondents go through to the publications for internal communication so rarely.

The most important way of creating and communicating the culture and vision of organization and internal communication must be clear, receptive and quick. Internal communication is two-way and feedback was given.

It can be inferred that most of the employees of IndianOil, Pipeline Division, Noida, were aware of the usage of computers and thus had access to reading publications for the internal communication on a regular basis, which resulted in awareness of IndianOil news and events as and when organized within its campus.

From the study, it can be found that 68 respondents found that IndianOil's communication media are **regularly** clear, concise and effective, and only 32 respondents were found that IndianOil's media are only **sometimes** clear, concise and effective table 5.

It can be inferred that the IndianOil internal communication media are clear, concise and effective. But 32% is a big percentage who said they sometimes found

IndianOil media are effective and clear but further improvement is required table 6.

From the study, it was seen that 62 respondents feels that the internal communication motivates them to imbibe and act to the core values of corporation,

and about 38 respondents feels that only sometimes it motivates them. Thirty-eight respondents feel that internal communication sometimes helps them to stay connected to the core values of the corporation. Internal communication may become proactive and aggressive fig 11.

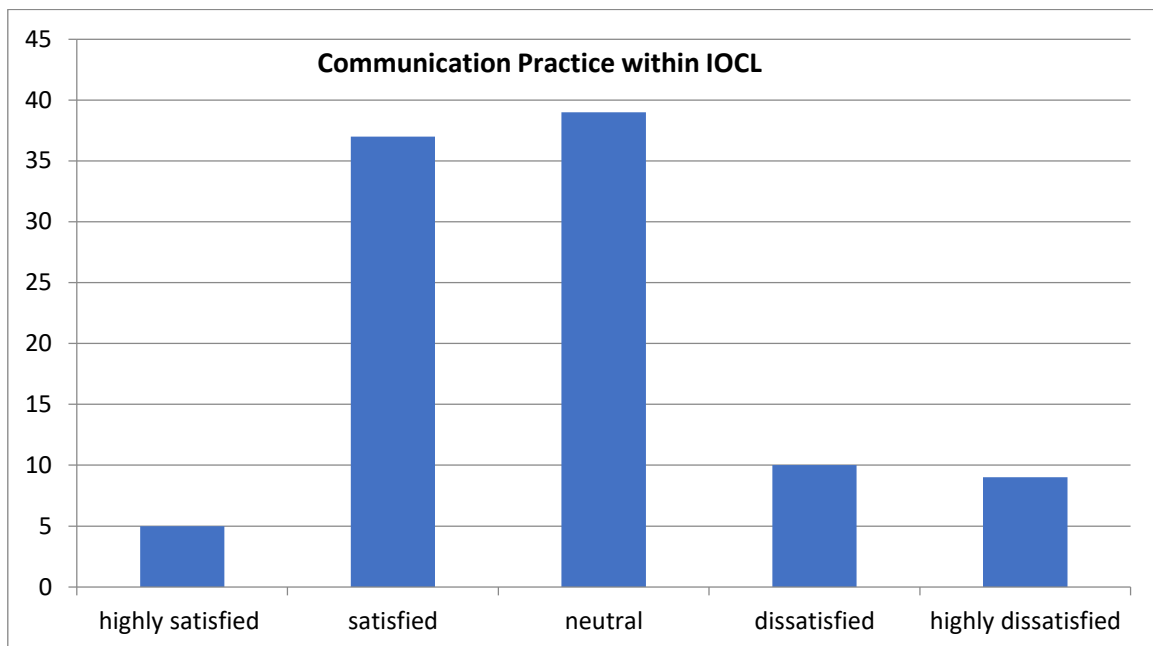


Fig. 6. Satisfaction level regarding the extent to which communication practice within IndianOil.

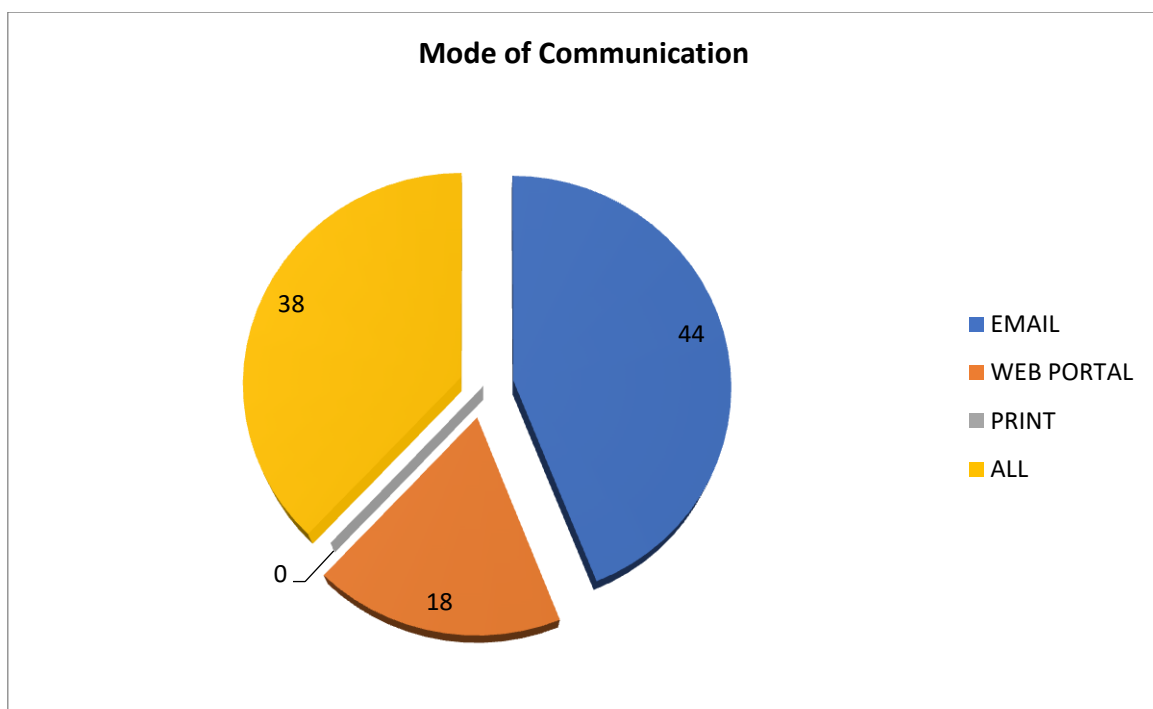


Fig. 7. Percentage of preference of choice of mode of communication.

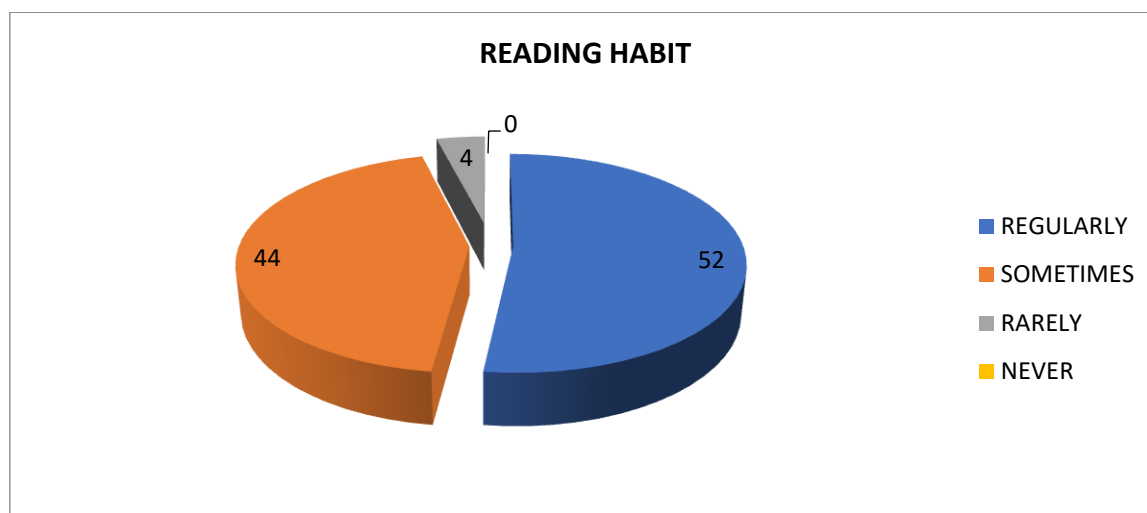


Fig. 8. Percentage of reading of information.

Table 5. IndianOil written directives, reports and newsletters are clear, concise and effective.

		Frequency	Percent	Valid percent
Valid	Regular	68	68.0	68.0%
	Sometimes	32	32.0	32.0%
	Rarely	0	0.0	Nil
	Never	0	0.0	Nil
	Total	100	100.0	100.0%

Table 6. Percentage of employees who think that the internal communication motivates them to imbibe and act to the core values of corporation.

		Frequency	Percent	Valid percent
Valid	Regular	62	62.0	62.0%
	Sometimes	38	38.0	38.0%
	Rarely	0	0.0	Nil
	Never	0	0.0	Nil
	Total	100	100.0	100.0%

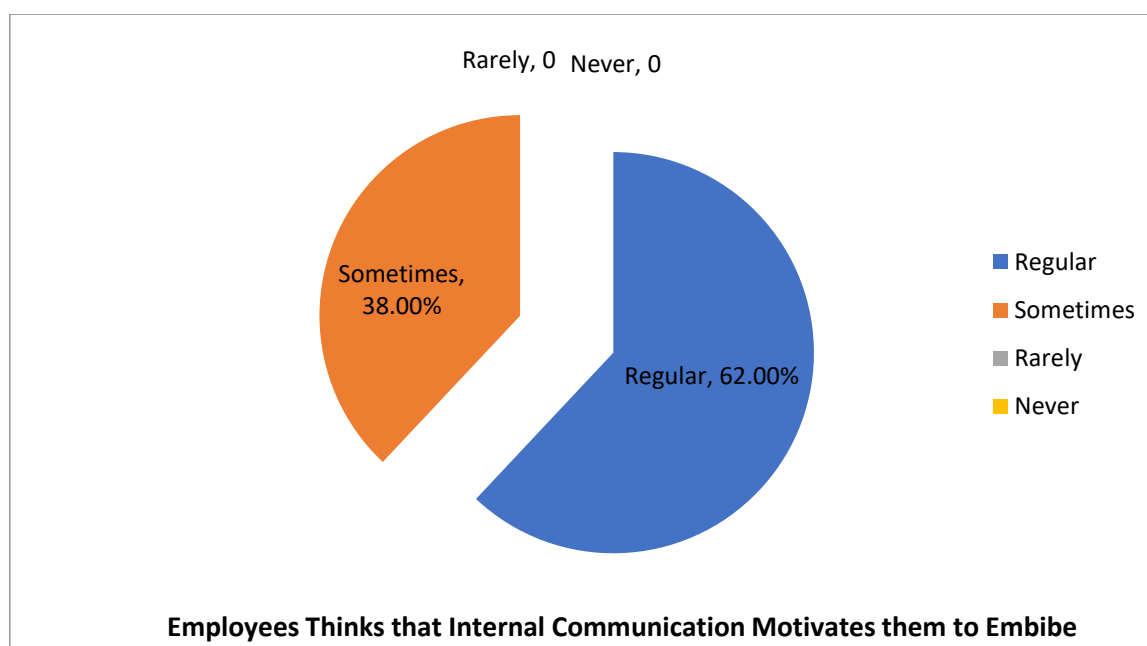


Fig. 9. Percentage of employees who think that the internal communication motivates them to imbibe and act to the core values of corporation.

Table 7. Satisfaction level regarding the extent to which the company's publication is interesting and helpful,

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Highly satisfied	13	13.0	13.0	13.0
	Satisfied	18	18.0	18.0	18.0
	Neutral	63	63.0	63.0	63.0
	Dissatisfied	3	3.0	3.0	3.0
	Highly dissatisfied	3	3.0	3.0	100.0
	Total	100	100.0	100.0	

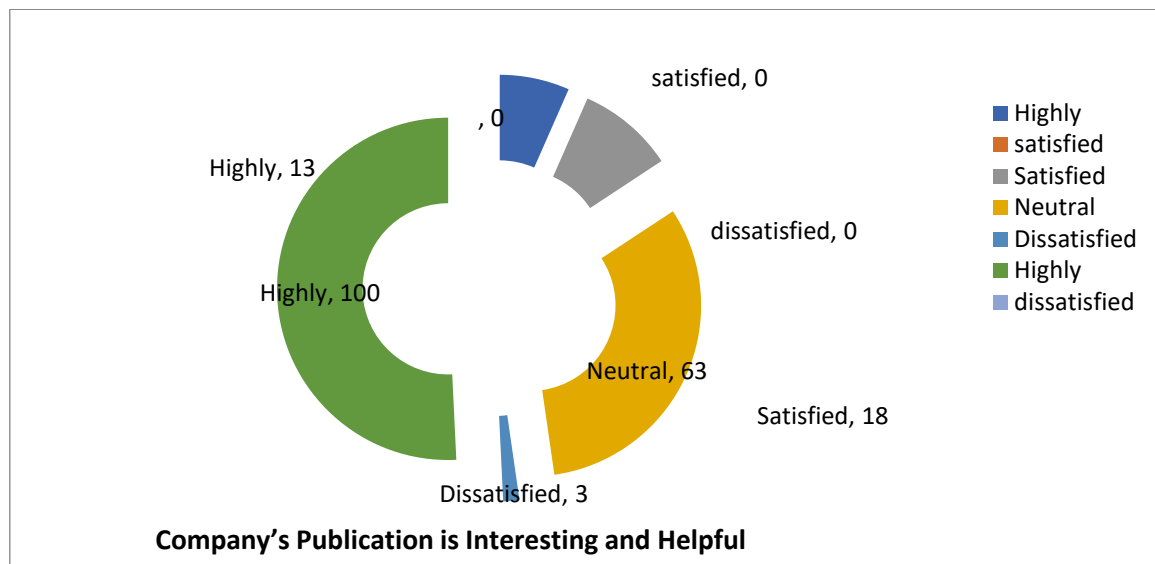


Fig. 10. Satisfaction level regarding the extent to which the company's publication is interesting and helpful,

Nearly 13 respondents were highly satisfied with the company's publications, 18 were satisfied, 63 were neutral, 3 were dissatisfied and 3 respondents were highly dissatisfied with the above criterion. It can be inferred that the IndianOil needs to put more effort toward its print publications to make them more interesting, attractive, informative and helpful among the employees. This is because, very few employees were satisfied with the quality of the information being provided through these publications table 7 fig 12.

From Figure 13, it was found that only 14 respondents regularly access to the IndianOil social pages, and about 38 respondents sometimes access to the IndianOil social pages, nearly 34 respondents access so rarely and about 7 respondents never access to the Social pages of IndianOil. In reference to the survey, It is seen that, above the age of

45 and above are not technology savvy. So that initiative must be taken to impart information about various social pages/networking sites that takes place for the organization and also workshop, one-on-one interaction can be takes place for them or link can be provided to them on their phones so that they can directly open to that pages.

It was difficult to convince few of the respondents to give unbiased responses as they thought that their identities would be revealed during the research process.

From the study, it was found that nearly 72.0% of the respondents were received employee-related information in the internal communication media **regularly** and about 28.0% were received employee related information **sometimes** in the internal communication media table 8.

So, the information regarding the events organized by the Pipeline Division, Noida, was well informed or well communicated by the management to the employees.

However, there are still some sections of the employees who were not found regularly employee-related information in the internal communication media and it occurs due to some reasons as some of the employees are not able to gather the information.

From the survey, it was found that 34 respondents strongly agreed to the statement that employees' attitudes toward

communication in the company were basically healthy, 47 agreed and 16 respondents neither agreed nor disagreed with the above statement. Only three respondents disagreed, and one respondent strongly disagreed with the same statement. The IndianOil employees believed that there exists a healthy flow of communication within the organization table 9 fig 14.

For the survey, a total of 25 respondents were taken from all the four departments under consideration, i.e. IT, Finance, HR and Operations table 10, 11.

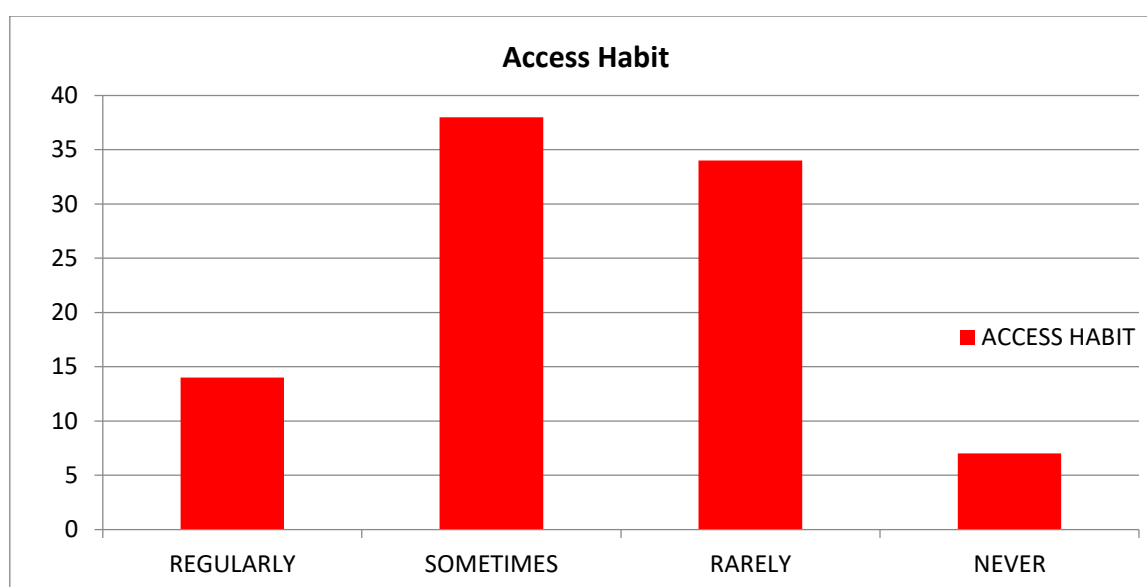


Fig. 11. Percentage of accessing of IndianOil social pages.

Table 8. Percentage of receiving employee-related information in internal communication media.

		Frequency	Percent	Valid percent
Valid	Regular	72	72.0	72.0%
	Sometimes	28	28.0	28.0%
	Rarely	0	0.0	Nil
	Never	0	0.0	Nil
	Total	100	100.0	100.0%

Table 9. Employee attitudes toward communication in the company are basically healthy.

		Frequency	Percent	Valid percent
Valid	Strongly agree	34	34.0	34.0
	Agree	47	47.0	47.0
	Neither agree nor disagree	16	16.0	16.0
	Disagree	3	3.0	3.0
	Strongly disagree	1	1.0	1.0
	Total	100	100.0	100.0

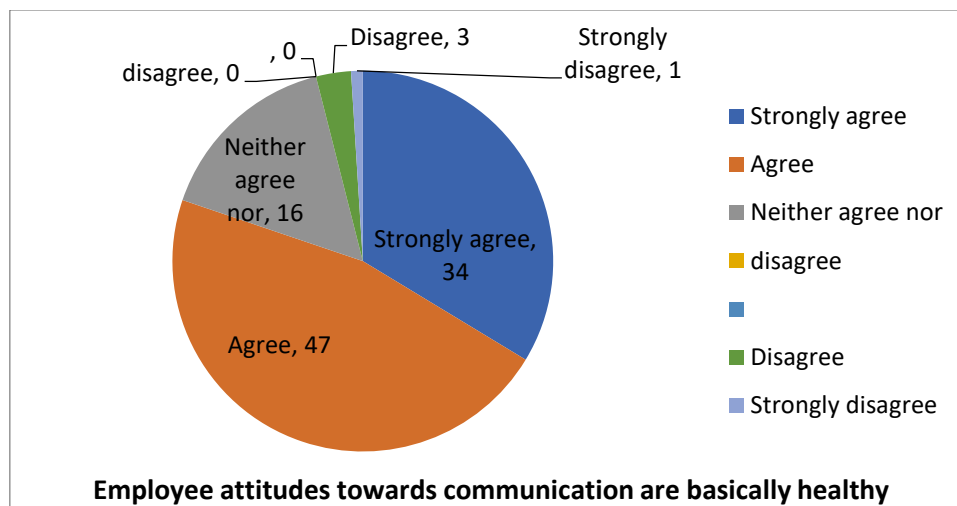


Fig. 12. Employee attitudes toward communication is basically healthy.

Table 10. Number of respondents from division/department of the IndianOil.

		Frequency	Percent	Valid percent
Valid	Information technology	25	25.0	25.0%
	Finance	25	25.0	25.0%
	Human resource	25	25.0	25.0%
	Operations	25	25.0	25.0%
	Total	100	100.0	100.0%

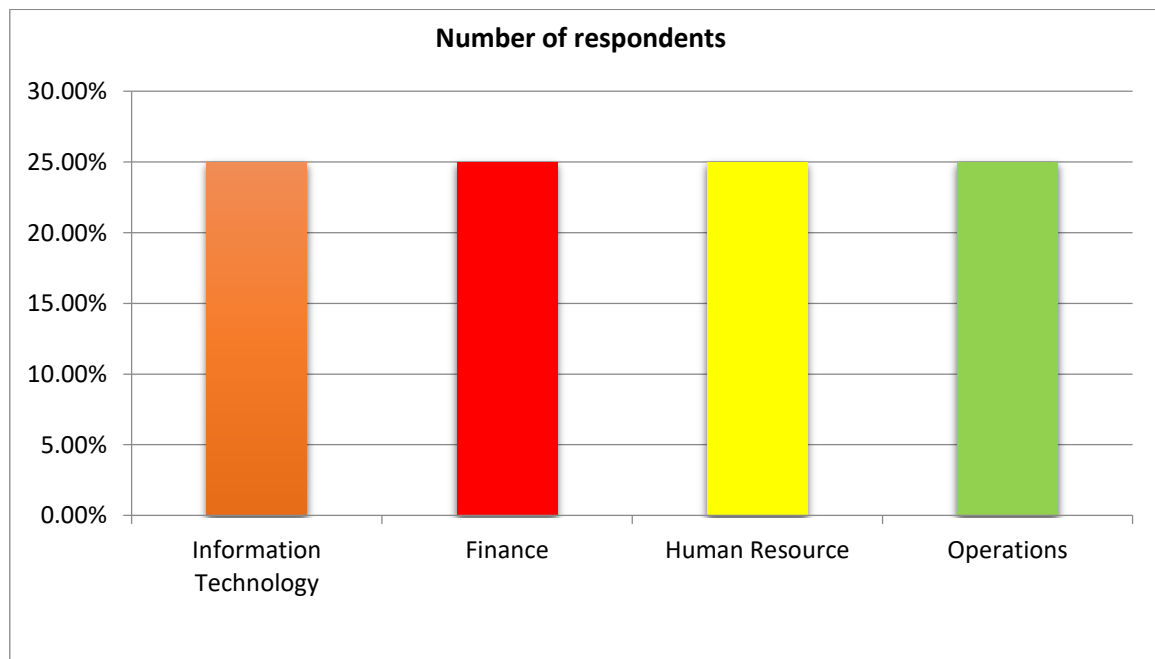


Fig. 13. Number of respondents from division/department of the IndianOil

Table 11. Reading of publications related to IndianOil news and events regularly.

	Observed N	Expected N	Residual
Regular	52	25	27
Sometimes	44	25	19
Rarely	04	25	-21
Never	00	25	-25
Total	100		

Tabular value for $df = 3$ with 5% error margin = 7.81

Table 12. Preference on the mode of internal communication.

	Observed N	Expected N	Residual
Internal communication through e-mails	44	25	19
Internal communication through web portal/social media	18	25	-7
Internal communication in print	00	25	-25
Internal communication through all (e-mails, web portal, print)	38	25	13
Total	100		

Table 13. Test statistics.

	Preference on the mode of internal communication	Reading of publications related to IndianOil news and events regularly
Chi-square	48.16	86.24
Df (degree of freedom)	3	3
Asymp. Sig.		
A0 cells (95%) had expected frequency values less than 5. The minimum expected cell frequency was 25.		
b0 cells (95%) had expected frequency values less than 5. The minimum expected cell frequency was 25.		

Chi-Square Test

Hypothesis 1: The hypothesis formulated was as follows:

H0: There is no significant relationship between the mode of internal communication and reading of publications related to IndianOil news and events.

H1: There is a significant relationship between the mode of internal communication and reading of publications related to IndianOil news and events.

The chi-square test was done to understand the relationship between the mode on internal communication and reading of publications related to the IndianOil news and events.

FINDINGS AND SUGGESTIONS

The communication system in the Pipelines Division was quiet effective and was in line with the changing times. The findings from the study are given below.

- For an organization to function effectively and smoothly, effective communication within the organizations, among the employees, within the management and the staff, etc., is utmost important. Keeping this in mind, the IndianOil, Pipelines Division, Noida, too has a good and transparent internal communication system that is in tune with the changing times.

- It is seen that most of the respondents preferred E-mail mode of internal communication, i.e. the **e-mail** mode refers to communication among the employees through E-reflections, Performance Highlights, etc. on the Intranet. A small number of employees preferred the print mode of communication, which included printed company newsletters, News on notice boards, etc. The employees of the IndianOil, Pipeline Division, were aware of the usage of computers and thus had access to reading emails on a regular basis, which resulted in their awareness of the IndianOil news and events as and when they were organized within its campus.
- The IndianOil policies and goals were well set and were as per the employee requirement. These policies were also well informed to most of the employees on definite time. The IndianOil possessed a strong flow of information internally, within the departments. The internal communication system was very effective in motivating the employees to meet the organization's goals. The IndianOil needs to put more efforts toward its print publications to make them more interesting, attractive, informative and helpful among the employees. This was because very few employees were satisfied with the

quality of the information being provided through these publications. Even though the circulations of these publications were wide, at times, it somehow did reach to some of the remote areas of the Pipelines Division.

- There was a free flow of horizontal communication among the employees and peers within the IndianOil campus. Though the print publications, written directives, reports and newsletters are clear, concise and effective, the management should attempt to revise, modify, amend, change and improve the quality of its information from time to time to avoid dullness in the flow of the message among the employees. The internal communication practice within the IndianOil lacks adaptability in case of unforeseen happenings or certain emergencies. From the varying response of the employees, it can be found that the management should follow certain communication practices that can be easily adapted during emergencies for a better tomorrow table 12.
- Written publications can be inferred as beneficial for the employee growth and also in their productivity.
- There was a healthy flow of communication within the departments, which helped in motivating the employees toward achieving the organization's goals. However, it was also observed that some employees of some departments were not aware of the activities taking place in the other departments and they were not even interested in knowing the inter-departmental communication from their end.
- The company was providing the information in the language preferred by the employees. Even though the authority had made sure that most of the employees understood the information delivered to them very thoroughly, there were be still a few

employees, basically from the worker's level, who were not at ease with the language with which they were being communicated. So, measures should be taken so that the company achieves 100% satisfaction level from the employees of all levels and from all the departments fig 15.

- It was also found that the employees who preferred the E-mail mode of internal communication read the emails on a regular basis than those who preferred the print media. Thus, the employees who preferred the print media read the emails only to a certain acceptable extent.
- Thus, the company should introduce innovative ideas from time to time, where the information can be dispatched equally in the electronic, computerized and print media in order to serve the expectations of each and every employees table 13.

Limitation of the Study

Due to time constraints, only few of the departments of the IndianOil were taken into consideration. Also, the total sample size was limited to 100 respondents. Only a selected number of respondents were taken into consideration from various levels of the organization's hierarchy.

CONCLUSION

The type of communication prevalent in the IndianOil, Pipelines Division, Noida, is a group communication. In the IndianOil, the responsibilities of the managers are to produce results with essentially just two resources: people and time. The success of managers depends primarily on their ability to communicate to all people for whom they are responsible, what they need to do and the importance of doing it. If success is to be achieved, there is also a need to harness the ideas, views and experiences of people who are carrying out the job.

The organizational chart of the Pipelines Division, Noida, showed that the internal information flowed in three directions: downward, upward and horizontal.

Thus, from the study, it was found that the IndianOil has a good and transparent communication system that is in tune with the changing times. The communication system in the Pipelines Division operated in a major way through the e-mails, e-news, Intranet services, video conferencing, etc. The electronic or the computerized media, no doubt, had made the communication system very fast and effective, but at the same time, it was seen that many employees, especially at the staff and the workers levels, did not have access to personal computers. They were, therefore, not motivated to go and check out what was happening at someone else's desk or to go and enquire directly to their superiors. Also, it was seen that even if they had access to a computer, they did not have necessary knowledge to use it. As there is lack of awareness and access to the computerized media among certain employees of the IndianOil, training

sessions to these employees should be conducted from time to time, for the upgradation of their knowledge on a regular basis.

REFERENCES

1. IndianOil Corporation Limited. (2015). Available from: <https://www.slideshare.net/PankajDev2/indian-oil-corporation-limited-53461299>.
2. Other Uses of Petroleum. Available from: <http://www.petroleum.co.uk/other-uses-of-petroleum>. (Accessed on 19 January 2019).
3. Shodhganga.inflibnet.ac.in. (2019). Available from: <http://shodhganga.inflibnet.ac.in/bitstream/10603/124670/5/chapter%204.pdf>. (Accessed 19 January 2019).
4. Shodhganga.inflibnet.ac.in. (2019). Available from: <http://shodhganga.inflibnet.ac.in/bitstream/10603/124670/5/chapter%204.pdf> (Accessed 19 January 2019).
5. Krishikosh.egranth.ac.in. (2019). Available from: <http://krishikosh.egranth.ac.in/bitstream/1/90242/1/phpUZQYab> (Accessed 19 January 2019).