International Journal of Innovative Research and Advanced Studies (IJIRAS)
Volume 4 Issue 10, October 2017

ISSN: 2394-4404

Internal Communication Climate And Employee Engagement In Nepalese Service Sector

Gangaram Biswakarma, PhD

Assistant Professor, Central Department of Management
Tribhuvan University, Kirtipur, Kathmandu

Abstract: ***Globally organizations are facing a real challenge in the context of globalization, resulted in immense rivalry, rapid and incessant change in the environment. An engaged and performing workforce is the need of the time in order to overcome such challenges. Benefits of an engaged workforce contribute to these organizational outcomes through increased productivity, higher job satisfaction and decreased turnover. Internal communication is a key driver of employee engagement. This study aims at determining whether there is a relationship between internal communication climate and employee engagement in the Nepalese service sector. The study results indicate that there is a positive relationship between internal commination climate and employee engagement in the Nepalese service organization. The results stress that organizations and supervisors should focus on internal communication efforts towards building greater perceptions of support and stronger identification among employees in order to foster optimal levels of engagement.***

Keywords: ***Internal communication, employee engagement, Nepalese service sector, superior-subordinate relationship.***

IJIRAS

I. INTRODUCTION

Organizations today have started to look into employees as a valuable asset to make use of their skills, knowledge and abilities to sustain competitiveness in the industry. The success stories of flourishing business organizations have been scripted on contributions made by engaged employees (Sarangi & Srivastava, 2012). Such employees profoundly express themselves physically, cognitively and emotionally during their performances. In this regard, enhancing employee engagement has gained momentum in business organizations globally.

In the preceding few years around the world, companies are facing a real challenge in the context of globalization. It has resulted in immense rivalry, rapid and incessant change in the environment. An engaged and performing workforce is the need of the time, in order to overcome such challenges. Benefits of an engaged workforce contribute to these organizational outcomes through increased productivity, higher job satisfaction, and decreased turnover (Saks, 2006). Employees are engaged on self-motivated basis when organizations have healthy work culture and communication practices. This will build a platform to express their concerns and opportunities to grow and develop their potential.

Employees recognize communication as an indication of their relative value to the organization. Iyer and Israel (2012) identified internal communication as a key driver of employee engagement. Employee engagement has become an interesting topic in recent years (Kular, Gatenby, Rees, Soane, & Truss, 2008). Though, communication has been identified as a factor affecting engagement, no scientific research has concentrated solely on the relationship between communication and engagement, particularly in the Nepalese context. This is more relevant in the service sector where employees directly impact customer engagement and play a more decisive role in ensuring profitability through growth.

Despite the interest in employee engagement, there remains a paucity of critical literature on the subject, and relatively little is known about how employee engagement can be influenced by internal communication of the organisation. In this backdrop, the purpose of the study is to determine whether there is a relationship between internal

communication climate and employee engagement in the Nepalese service sector.

RESEARCH OBJECTIVES

The study is guided by the following research objectives:

- ✓ To examine the internal communication climate in Nepalese service sector organizations.
- ✓ To examine the employee engagement in Nepalese service sector organizations.
- ✓ To examine the relationship between internal communication climate and employee engagement.
- ✓ To examine the influence of internal communication on employees engagement.

RESEARCH HYPOTHESES

For the purpose of identifying relationship between dependent and independent variables, five null hypotheses have been drawn in this research.

$H_0$1: There is no significant relationship between Superior Subordinate Communication and employee engagement.

$H_0$2: There is no significant relationship between Quality of information and employee engagement.

$H_0$3: There is no significant relationship between Superior openness and employee engagement.

$H_0$4: There is no significant relationship between Opportunity for Upward Communication and employee engagement.

$H_0$5: There is no significant relationship between Reliability of Communication and employee engagement.

II. LITERATURE REVIEW

EMPLOYEE ENGAGEMENT

Employee engagement is a fairly new phenomenon that continues to gain the attention of organizations (Hayase, 2009). Engaged employees are operationally defined as motivated, self-improving, and productive (Harley, Lee, & Robinson, 2005) while understanding and aligning themselves with their company's culture and business strategy (Coleman, 2005).

INTERNAL COMMUNICATION

Internal communication is an internal organizational process that provides and shares information to create a sense of community and trust among employees (Rothenberg, 2003; Ryynänen, Pekkarinen, & Salminen, 2012). Developing a sense of community and trust through internal communication involves establishing and maintaining relationships between an organization, supervisors, and employees (Hume & Leonard, 2013). Data from the King, Lahiff, and Hatfield (1998) study showed a positive relationship between the communication employees receive from their supervisor and their overall satisfaction with their job.

COMMUNICATION CLIMATE

Communication climate includes the employee perceptions of the quality of relationships and communication in the organization, and the degree of involvement and influence (Goldhaber, 1993). Dennis (1975) added to Redding's research and defined communication climate as an individually experienced quality of the internal environment of an organization which embraces employees' perceptions of messages and message-related events occurring in the organization. Dennis' communication climate survey includes five factors (O'Connell, 1979): superior-subordinate communication, quality of information, superior openness/candor, opportunities for upward communication, and reliability of information. Determining the communication climate at an organization will provide insight into employee's perceptions about the communication they receive, the quality and reliability of the message, and the transparency of their workplace.

Superior-subordinate communication reflects statements of positive communication between a subordinate and their superior because it covered exchanges of encouragement, understanding, and fairness between these two individuals. As far as quality of communication is concerned, it reflected employees who are pleased with the way management communicated the sources they used to communicate, the rewards they received, and clear understanding of organizational goals and job requirements. This also reflected top-down communication transparency. The factor looks at employee satisfaction with the information and the explanations they received from management, the candidness across the organisation and integrity of messages.

Superior openness is mainly connected to management level or superior level functioning. The factor gives an idea about how the subordinate feels about their managers in the area of providing the information and how honest and open they are in sharing the same. Opportunities for upward communication reflects employee feelings about their views and opinions being heard and integrated into their day to day work. Reliability of communication represents the opinion of employees regarding the reliability of communication received from management and from their colleagues.

RELATIONSHIP BETWEEN INTERNAL COMMUNICATION AND EMPLOYEE ENGAGEMENT

Internal communication is suggested as one of the key determinants of employee engagement (Iyer & Israel, 2012). According to Smidts, Pruyn, and Riel (2001) and DeRidder (2004) internal communication is a factor contributing to external prestige and when that external image is positive, employees experience a greater sense of identification with the organization. Organizational identification is a variable of employee engagement. Organizations that communicate effectively experience less turnover and resistance, higher shareholder returns, increased commitment and higher levels of employee engagement (Goodman & Truss, 2004; Guzley, 1992; Sias, 2005; Yates, 2006).

Gaines (1980) explored the effect of trust on communication and found statistically significant effect of

IJIRAS

ISSN: 2394-4404

trust on the distortion of upward communication. Guzley (1992) found that employees' perceptions of organizational communication were positively correlated with the employees' organizational commitment. Varona (1996) found significant positive relationship between communication and employees' organizational commitment.

Miles, Patrick, & King (1996) identified four major dimensions of challenges in superior-subordinate relationship through communication namely positive relationship communication, upward openness communication, negative relationship communication and job-relevant communication. Thomas et al (2009) explored the relationship between communication and trust by focusing on the quality and quantity of the information being communicated. It was found that quality of information is the best predictor of trust with regard to the communication among coworkers and supervisors. A study conducted by Van Vuuren et al (2007) examined the impact of supervisor's communication on employee's organizational commitment and found a significant effect of communication satisfaction on commitment. Gruman & Saks (2011) added with the view of Stein (2006) when employees are well-informed and are provided with a clear set of goals, they will be more inclined to make good use of their time, assets, and budgets.

III. CONCEPTUAL FRAMEWORK FOR THE STUDY

The conceptual model illustrated in figure no. 1 below explains the framework of the research process used in this study.

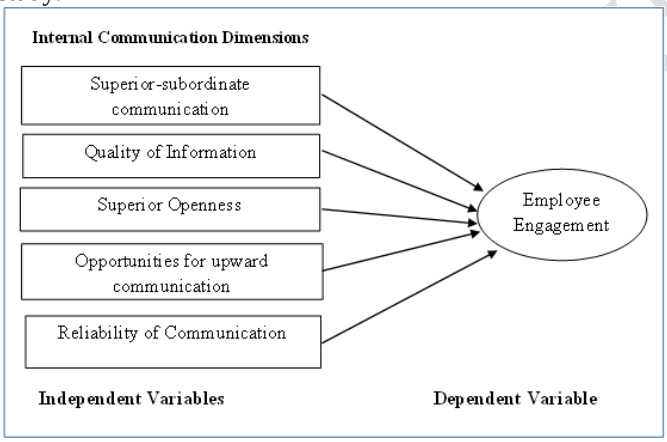

Figure 1: Conceptual framework

IV. RESEARCH METHODOLOGY

RESEARCH DESIGN

A descriptive as well as explanatory research was employed for the purpose of this research. The research is descriptive in nature as it describes data and characteristics about the population being studied, solely on the basis of statistics, without any form of manipulation. The research is also explanatory since it has been conducted to identify the extent and nature of cause-and-effect relationships between the dependent and independent variables.

POPULATION AND SAMPLE

This study obtained a sample of 200 employees from various service organizations in Kathmandu Valley. Convenience sampling was adopted for selecting the sample. It is due to the convenient accessibility and proximity to the researcher. The service organizations include- banks, insurance companies, hotels, airlines, internet service provider, educational services, consultancy companies and others within Kathmandu valley.

DATA COLLECTION

Questionnaires were handed out through delivery and collection method. Responses on the questionnaire were received within a period of 15 days. Out of the data collected from 175 respondents, 30 responded through online questionnaire and the remaining 145 responses were collected through personal visit. Out of the 200 questionnaires, only 175 valid responses were collected. Hence, the response rate was 87.5 percent. Table 1 shows the type of the organisation as sample for this study.

Sl. No	Type of Service	N	Percent
1	Healthcare	16	9.14
2	Bank	45	25.71
3	Hotel	11	6.28
4	IT Company	23	13.14
5	Consultancy	7	4
6	ISP	30	17.14
7	I/NGO	2	1.14
8	Education	12	6.85
9	Airlines	25	14.28
10	Insurance	2	1.14
11	Travel Agency	2	1.14
Total		175	100

Table 1: Type of Service Organization

INSTRUMENTATION

The construct of Employee Engagement had three variables or dimensions of Vigor, Absorption and Dedication with nine (9) questionnaire items. The present study builds on the conceptualization of engagement given by Schaufeli et al. (2002). The items included in the scale are grouped into three subscales that are reflective of the three dimensions of engagement. Vigor was assessed using three items, absorption was assessed using three items, and dedication was assessed using three items. The Cronbach's alpha for the 9 items of employee engagement was 0.845. The 3 items were related to Vigor (alpha value 0.737), 3 items to Absorption (alpha value 0.642) and 3 items for Dedication (alpha value 0.796). Similarly, 21 items (before EFA), was used to measure internal communication climate of the organisation, conceptualization given by Dennis' (1974). The Cronbach's alpha of Superior-subordinate communication was 0.852; Quality of Information was 0.777; Superior Openness was 0.774; Opportunities for Upward Communication was 0.766; and Reliability of Communication was 0.869. Responses were

ISSN: 2394-4404

reported on a 6 point Likert scale ranging from 1 (strongly disagree) to 6 (strongly agree).

ANALYSIS TOOLS

The study is based on various statistical tests and analyses. For this purpose, Statistical Package for Social Science (SPSS v25) software and Microsoft Excel 2013 was used to analyze and interpret the quantitative data. Descriptive statistics was used for the calculation of mean and standard deviation based on the respondent profile. Correlation analysis, regression analysis was employed to test hypotheses.

V. RESULTS

EXPLORATORY FACTOR ANALYSIS

Dimensions of the internal communication climate have been measured in 21 manifest items in five factors namely; superior-subordinate communication, quality of information, superior openness, opportunities for upward communication, and reliability of information. Likewise, employee engagement has been measured in 9 manifest items in three factors namely; vigor, absorption and dedication.

Factor analysis with Principal Component Analysis, component rotated with Varimax with Kaiser Normalization, gives manifest 21 items into 6 (six) latent factors. The manifest items were loaded in their own respective factors. The factors vigor, absorption and dedication of employee engagement failed to load separately. The manifest items of these factors were loaded in a single factor.

Test for sampling adequacy (KMO) and the Bartlett's test of sphericity is presented in Table 2. The KMO statistics was 0.900, which suggests that a factor analysis can be performed with a data set of the number of observations and the variables. Likewise, the Bartlett's test of sphericity suggests that, with the overall statistical significance of the correlations among the observed variables, we can perform factor analysis. The Chi-square value (2995.357, 435) is statistically significant at ($p<0.01$). All the factors manifest items are extracted with principal Component Analysis method. The extracted communalities are all less that the initial value.

Table 3 summarizes the communalities for all the variables used in the analysis. The total variance explained by the different factors opinions shows all the factors extractable from the analysis along with their eigenvalues (11.453, 2.169, 1.906, 1.571, 1.275, and 1.058 for respective 6 factors). The total variance is explained by the six factors, with cumulative variance of 64.77%.

Likewise, the factor loadings after rotation using a significant factor criterion of cut-off less than value of 0.5 were strike off from the rotated component matrix. Q2 and SO1 items with low factor loading manifest variables items were not taken for further analysis and dropped from the model. Detail EFA is presented in Table 3 with the factor loading, communalities, eigenvalues, and percentage of variance of each variable loaded strongly on six factors. Furthermore, the descriptive and inferential analysis is based on these classifications.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.900
Bartlett's Test of Sphericity	Approx. Chi-Square	2995.357
	Df	435
	Sig.	.001

Table 2: KMO and Bartlett's Test

Sl. No	Code	Component 1	2	3	4	5	6	Com	EV	PV	A
1	EEV 1	0.61						0.593	11.453	38.178	.845
2	EEV 2	0.638						0.720			
3	EEV 3	0.589						0.634			
4	EEA 1	0.657						0.583			
5	EEA 2	0.624						0.582			
6	EEA 3	0.544						0.606			
7	EED 1	0.599						0.63			
8	EED 2	0.647						0.632			
9	EED 3	0.735						0.657			
10	Q1		0.610					0.603	2.169	7.228	.852
11	Q2		0.497					0.527			
12	Q3		0.627					0.721			
13	Q4		0.675					0.725			
14	Q5		0.612					0.667			
15	SC1			0.711				0.708	1.906	6.353	.777
16	SC2			0.799				0.686			
17	SC3			0.774				0.714			
18	SC4			0.571				0.563			
19	SC5			0.642				0.689			
20	SC6			0.677				0.647			
21	SO1				0.482			0.534	1.571	5.238	.774
22	SO2				0.606			0.638			
23	SO3				0.742			0.663			
24	SO4				0.665			0.596			
25	RC1					0.63		0.608	1.275	4.25	.766
26	RC2					0.764		0.686			
27	RC3					0.691		0.647			
28	UC1						0.643	0.718	1.058	3.527	.869
29	UC2						0.613	0.644			
30	UC3						0.787	0.812			

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 9 iterations.

Com=Communalities; *EV=Eigenvalues; PV=Percentage of Variance; CA=Cronbach's Alpha*

Table 3: Factor Analysis (Rotated component matrix)

DEMOGRAPHIC PROFILE OF THE RESPONDENTS

The respondent profile includes age, gender, income level, education, working experience and type of service organization.

IJIRAS

ISSN: 2394-4404

The output results are indicated in table 4, which shows that out of the total respondents 57.7 percent of respondents were male and 42.3 percent of respondents were female. Similarly, unmarried respondents comprised of 52 percent and married respondents comprised of 48 percent of the total sampled respondents. Out of total respondents, 5.7 percent were below 20 years of age, 60.6 percent fell in the age group of 20-30, 30.3 percent respondents fell in the age group of 30-40, and 2.9 percent of respondents represented 40-50 age group. The age group 50 and above was represented by only 0.6 percent of the total respondents. The distribution of respondents based on educational qualification shows that 0.6 percent of the respondents i.e. only one respondent was in SLC level, 11.4 percent of the respondents were in the intermediate level, 58.3 percent of the respondents were in Bachelor level and 29.7 percent of the respondents i.e. 52 respondents were in Masters Level or above. Likewise it has been found that 38.3 percent of the respondents earned less than Rs. 20,000 and 38.9 percent of respondents earned between Rs. 20,000 to Rs. 40,000. Similarly, respondents with income level Rs. 40,000 to Rs. 60,000 were represented by 13.1 percent of total respondents and respondents with income level more than Rs. 60,000 were represented by 9.7 percent of total respondents. The distribution based on work experience shows that 23.4 percent of total respondents have experience of less than 1 year, 25.7 percent respondents have experience of 1-2 years, 19.4 percent respondents have experience of 2 to 3 years, 8 percent of respondents have experience of 3-4 years and 23.4 percent of respondents have experience of 4 years and above.

Sl. No	Attributes	Sub-Attributes	No.	%	Sl. No	Attributes	Sub-Attributes	No.	%
1	Gender	Male	101	57.7	2	Marital Status	Unmarried	91	52
		Female	74	42.3			Married	84	48
3	Age group	Below 20	10	5.7	4	Work Experience	Less than 1 year	41	23.4
		20-30	106	60.6			1-2 years	45	25.7
		30-40	53	30.3			2-3 years	34	19.4
		40-50	5	2.9			3-4 years	14	8
		50 and above	1	0.6			4 years and above	41	23.4
5	Education Level	SLC	1	0.6	6	Income Level	Below Rs. 20,000	67	38.3
		Intermediate	20	11.4			Rs. 20,000-40,000	68	38.9
		Bachelor	102	58.3			Rs. 40,000-60,000	23	13.1
		Masters or above	52	29.7			Rs. 60,000 and above	17	9.7

Table 4: Demographic Characteristics of Respondents

STATUS OF INTERNAL COMMUNICATION IN NEPALESE SERVICE ORGANISATION

The overall descriptive findings indicate a moderate level of internal communication climate in the Nepalese service sector organizations since the mean values of all the variables determining internal communication climate are greater than 4, indicating a greater inclination towards agreeableness.

SUPERIOR SUBORDINATE COMMUNICATION

The results presented in Table 5 indicates that SC2 has the highest mean of 4.81 (*SD*=0.931) which indicates a greater agreeableness that the superior makes the employees feel free to talk with him/her. Likewise, SC4 has the lowest mean of 4.35 (*SD*=1.067) which shows less agreeableness towards the statement "My superior really understands my job problem." That means employees in Nepalese service organizations believe that their superiors are less concerned towards understanding their job problems. The aggregate mean value of 4.58 with standard deviation of 0.779 shows that the employees of service sector organizations give importance to Superior Subordinate Communication and it has a relationship with the internal communication climate.

Code	Statements	N	Mean	Std. Deviation
SC1	My superior makes me feel that things I tell him/her are really important.	175	4.46	1.103
SC2	My superior makes me feel free to talk with him/her.	175	4.81	.931
SC3	My superior makes it easy for me to do my best work.	175	4.77	.955
SC4	My superior really understands my job problem.	175	4.35	1.067
SC5	My superior listens to me when I tell him/her about things that are bothering me.	175	4.56	1.059
SC6	I can communicate job challenges to my superior.	175	4.53	1.108
	Superior Subordinate Communication	**175**	**4.58**	**.779**

Table 5: Descriptive Statistics of Superior-Subordinate Communication

QUALITY OF INFORMATION

The highest mean of 4.42 (*SD*=1.214) indicates a greater agreeableness that the job requirements of employees are specified in clear languages and the lowest mean of 3.93 (*SD*=1.259) shows that respondents are less agreed by the statement "I am pleased with the management's effort to keep employees up-to-date." The aggregate mean of 4.14 with standard deviation of 1.006 shows that the employees of service sector organizations give importance to Quality of Information received from their superiors and it has an a relationship with the internal communication climate.

Code	Statements	N	Mean	Std. Deviation
QI1	I am kept informed about how well organizational goals and objectives are being met.	175	4.21	1.192

QI3	I am pleased with the management's effort to keep employees up-to-date.	175	3.93	1.259
QI4	I am notified in advances of changes that affect my job.	175	4.02	1.293
QI5	My job requirements are specified in clear languages.	175	4.42	1.214
	Quality of information	**175**	**4.14**	**1.006**

Table 6: Descriptive Statistics of Quality of Information

SUPERIOR OPENNESS

The highest mean of 4.28 (*SD*=1.197) indicates that it is the most agreed statement, stating that employees in Nepalese service organizations believe to a great extent, that they can tell their superior about the way they feel how he/she manages the department. Lowest mean of 4.15 (*SD*=1.186) shows that respondents are less agreed by the statement "I am free to tell my superior that I disagree with him/her." That means employees in Nepalese service organizations do not face impasses when communicating that they disagree with their superiors. The aggregate mean of 4.22 with a standard deviation of 0.937 shows that the employees of service sector organizations give importance to Superior Openness and it has a relationship with the internal communication climate.

Code	Statements	N	Mean	Std. Deviation
SO2	I can tell my superior about the way I feel he /she manage my department.	175	4.28	1.197
SO3	I am free to tell my superior that I disagree with him/her.	175	4.15	1.186
SO4	People in this organisation freely exchange information and opinion.	175	4.24	1.159
	Superior openness	**175**	**4.22**	**.937**

Table 7: Descriptive Statistics of Superior Openness

OPPORTUNITIES FOR UPWARD COMMUNICATION

The highest mean of 4.34 (*SD*=1.162)indicates that it is the most agreed statement, stating that employees in Nepalese service organizations believe to a great extent, that their views are respected in their respective organizations. The lowest mean of 3.95 (*SD*=1.171) shows that respondents are less agreed by the statement "My opinions make a difference in the day-to-day decisions that affect my job." The aggregate mean of 4.19 with a standard deviation of 0.95 shows that the employees of service sector organizations give importance to Opportunities for Upward Communication and it has a relationship with the internal communication climate.

Code	Statements	N	Mean	Std. Deviation
UC1	My opinions make a difference in the day-to-day decisions that affect my job.	175	3.95	1.171
UC2	I believe my views are respected in my organization.	175	4.34	1.162
UC3	I believe any recommendations I make are heard and considered positively.	175	4.30	1.106
	Opportunity for Upward Communication	**175**	**4.19**	**.951**

Table 8: Descriptive Statistics of Opportunities for Upward Communication

RELIABILITY OF COMMUNICATION

The highest mean of 4.47 (*SD*=1.049) indicates that it is the most agreed statement, stating that employees in Nepalese service organizations believe to a great extent, that the information received from management is reliable. The lowest mean of 4.38 (*SD*=1.059) shows that respondents are less agreed by the statement "Overall communication in my organisation is trustworthy." The aggregate mean of 4.41 with a standard deviation of 0.898 shows that the employees of service sector organizations give importance to Opportunities for Reliability of Communication and it has a relationship with the internal communication climate.

Code	Statements	N	Mean	Std. Deviation
RC1	I believe information received from management is reliable.	175	4.47	1.049
RC2	I believe information received from my colleagues (co-workers) is reliable.	175	4.40	1.155
RC3	Overall communication in my organisation is trustworthy.	175	4.38	1.059
	Reliability of Communication	**175**	**4.41**	**.898**

Table 9: Descriptive Statistics of Reliability of Communication

EMPLOYEE ENGAGEMENT

Among the three dimensions, the Vigor has scored the lowest mean of 4.24 (*SD*=0.969), and Dedication has scored the highest mean of 4.67 (*SD*=0.905). The aggregate mean of employee engagement is 4.45 (*SD*=0.779) which shows that

the level of employee engagement in Nepalese service sector organizations is fairly good.

Code	Dimensions	N	Mean	SD
EE1	Vigor	175	4.24	.969
EE2	Absorption	175	4.44	.818
EE3	Dedication	175	4.67	.905
Employee Engagement		**175**	**4.45**	**.779**

Table 10: Descriptive Statistics of Employee Engagement

RELATIONSHIP BETWEEN INTERNAL COMMUNICATION CLIMATE AND EMPLOYEE ENGAGEMENT

The Pearson Correlation coefficient between the Superior Subordinate Communication and Employee Engagement is 0.588, which implies that the two variables are positively correlated. The positive coefficient of correlation is 0.588 at 1% significant level where p-value is less than alpha i.e. 0.001< 0.01.

The Pearson Correlation coefficient between the Quality of information and Employee Engagement is 0.593, which implies that the two variables are positively correlated. The positive coefficient of correlation is 0.593 at 1% significant level where p-value is less than alpha i.e. 0.001< 0.01.

The Pearson Correlation coefficient between the Superior Openness and Employee Engagement is 0.647, which implies that the two variables are highly positively correlated. The positive coefficient of correlation is 0.647 at 1% significant level where p-value is less than alpha i.e. 0.001< 0.01.

The Pearson Correlation coefficient between the Opportunity for Upward Communication and Employee Engagement is 0.535, which implies that the two variables are positively correlated. The positive coefficient of correlation is 0.535 at 1% significant level where p-value is less than alpha i.e. 0.001< 0.01.

The Pearson Correlation coefficient between the Reliability of Communication and Employee Engagement is 0.521, which implies that the two variables are positively correlated. The positive coefficient of correlation is 0.521 at 1% significant level where p-value is less than alpha i.e. 0.001< 0.01.

Internal Communication Climate		Employee Engagement
Superior Subordinate Communication	r	.588**
	p	.001
	N	175
Quality of information	r	.593**
	p	.001
	N	175
Superior Openness	r	.647**
	p	.001
	N	175
Opportunity for Upward Communication	r	.535**
	p	.001
	N	175
Reliability of Communication	r	.521**
	p	.001
	N	175

***Significant at 1% level*

Table 11: Correlation Analysis

HYPOTHESES TESTING RESULT

$H_0$1: There is no significant relationship between Superior Subordinate Communication and employee engagement.

The correlation result indicates that there is a relationship between the Superior Subordinate Communication and Employee Engagement at 1% significant level (p<0.01). Thus, Ho1 is rejected.

$H_0$2: There is no significant relationship between Quality of information and employee engagement.

The correlation result indicates that there is a relationship between the Quality of information and Employee Engagement at 1% significant level (p<0.01). Thus, Ho2 is rejected.

$H_0$3: There is no significant relationship between Superior openness and employee engagement.

The correlation result indicates that there is a relationship between the Superior openness and Employee Engagement at 1% significant level (p<0.01). Thus, Ho3 is rejected.

$H_0$4: There is no significant relationship between Opportunity for Upward Communication and employee engagement.

The correlation result indicates that there is a relationship between the Opportunity for Upward Communication and Employee Engagement at 1% significant level (p<0.01). Thus, Ho4 is rejected.

$H_0$5: There is no significant relationship between Reliability of Communication and employee engagement.

The correlation result indicates that there is a relationship between the Reliability of Communication and Employee Engagement at 1% significant level (p<0.01). Thus, Ho5 is rejected.

IMPACT OF INTERNAL COMMUNICATION CLIMATE OVER EMPLOYEE ENGAGEMENT (REGRESSION ANALYSIS)

The result of the regression analysis shows that the model of five variables has an impact on Employee Engagement. From the model summary, the value of R is 0.726, which means that the model is 72.6% fit. It is considered as good as it is more than 50% mark. R value also indicates the relationship are stronger in between the independent variables and dependent variable. Similarly, the value of R-square is 0.528 which means 52.8% variation in employee engagement is explained by Superior Subordinate Communication, Quality of information, Superior openness, Opportunities for Upward Communication, and Reliability of Communication.

Based on ANOVA, the p-value is 0.001 which is lesser than alpha value 0.01. Therefore, the model is a good predictor of the relationship between the dependent and independent variables. As a result, the independent variables (Superior Subordinate Communication, Quality of information, Superior openness, Opportunities for Upward Communication, and Reliability of Communication) are significant in explaining the variance in employee engagement.

IJIRAS

Multiple Regression Model

$\hat{Y} = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \beta 5X5 + ei.$

Where,

$\hat{Y}$ = Employee Engagement (Dependent variable)

X1 = Superior-subordinate Communication

X2 = Quality of Information

X3 = Superior Openness

X4 = Opportunities for Upward Communication

X5 = Reliability of Communication

α = Constant

βi = Coefficient of slope of regression model

ei = Error term

Regression coefficient of Superior Subordinate Communication, Quality of information, Superior openness, Opportunities for Upward Communication, and Reliability of Communication are 0.246, 0.116, 0.254, 0.080 and 0.077 respectively.

The Table also shows that Superior Subordinate Communication and Superior openness are the significant independent variables while the other three independent variables i.e., Quality of Information, Opportunities for Upward Communication and Reliability of Communication have non-significant results since their respective p-values are greater than ($p > 0.05$).

Based on the coefficients, the regression equation for the employee engagement can be written as: $\hat{Y} = 1.099+0.246X1+0.116X2+0.254X3+0.080X4+0.077\ X5$.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	ANOVA	
					F	p
1	.726[a]	.528	.513	.54297	37.515	.001

a. Predictors: (Constant), Reliability of Communication, Superior Subordinate Communication, Opportunities for Upward Communication, Superior openness, Quality of information

Table 12: Model Summary

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.099	.268		4.101	.000
Superior Subordinate Communication	.246	.068	.247	3.620	.000
Quality of information	.116	.064	.150	1.809	.072
Superior Openness	.254	.064	.306	3.968	.000
Opportunity for Upward Communication	.080	.059	.097	1.347	.180
Reliability of Communication	.077	.063	.089	1.225	.222
a. Dependent Variable: Employee Engagement					

Table 13: Coefficients

DISCUSSION

The results of the study indicate that there is a moderate internal communication climate and employee engagement in the Nepalese service organizations. This study also found that positive relationships exist between several communication and engagement factors which means all the internal communication dimensions are correlated with Employee Engagement. The result of the study supports the study conducted by Iyer and Israel in 2012, according to which internal communication is one of the key determinants of employee engagement.

Based on the study of King, Lahiff, and Hatfield (1998), a positive relationship was found between the communication employees receive from their supervisor i.e. superior-subordinate communication and their overall engagement level with their job. The current study found that Superior Openness had the highest correlation to Employee Engagement. We could infer from these results that when an employee is provided ways to interact with upper management there is a greater impact on their engagement levels in the organization and when they experience positive or open communication with their superior or share mutual understanding.

The result of the study is also similar to the theoretical assertion that when supervisors provide resources (internal communication) in a way that is perceived to be beneficial, employees will consider the relationship favorably and will reciprocate with engagement (Cropanzano & Mitchell, 2005). In order for employees to become engaged, they must develop a strong belief that their superiors recognize and value their efforts and care about their well-being. Superiors can achieve this through internal communication which builds employees' perceptions of support.

The results indicate that positive and mutual communication between an employee and their superior has an impact on engagement levels of employees within the organization. Perhaps what the results also tell us is employees who have the opportunity to communicate with all levels of management, feel greater engagement towards their organization. For organizations interested in increasing the levels of engagement among the employees, these results suggest that internal communication may be a means for doing so. The study's findings imply to organizations that by harnessing internal communication, superiors can increase employee engagement in their organizations.

VI. CONCLUSION

The greater purpose of this study was to determine if internal communication has a relationship with employee engagement levels in the context of Nepalese service sector organizations. Upon examining the dimensions of internal communication and engagement it has been found that a relationship between the two does exist. The results indicated that organizations may utilize internal communication to improve employee engagement.

The presented research demonstrates that open and honest internal communication between superiors and subordinates is crucial to generating trust with management and high employee engagement. Effective organizations have superiors who engage their employees through personal connections and communication. In the context of Nepalese service sector organizations, managers should communicate to employees that they may express their opinions and demonstrate that it is safe to do so by encouraging open discussion and then acknowledging it with positive reactions and consequences to

IJIRAS

create the positive environment of trust needed to engage employees.

VII. THE WAY FORWARD

This research only focused on the five factors/dimensions of internal communication climate as suggested by Dennis (1974) Communication Climate survey. However, future research regarding the relationship may provide insight about other variables that may have an effect on the communication climate and employee engagement relationship. Future research can use a sample comprised of one particular sub-sector from the service sector such as either banks, or hospitals or other such sub-sectors; or a larger sample of participants from among several sectors/industries. Further research can be conducted, not only on the communication climate between employees and superiors but also the communication climate among employees and whether it affects employee engagement levels. This type of research could provide organizations information on a valuable internal resource. While, the present study focuses on an organization's internal customers i.e. employees, it would be more beneficial to apply the current theoretical model to an organization's external customers as well, which could help researchers gain insight into the social factors which drive customer engagement.

ACKNOWLEDGEMENT

I would like to extent my thanks to Shraddha Shrestha for helping me to collect a part of data for this research study.

REFERENCES

[1] Coleman, A. (2005, November). Less vacant, more engaged. *Employee Benefits*, 66-67.
[2] Cropanzano, R., & Mitchell, M. (2005). Social exchange theory: An interdisciplinary review. *Journal of Management, 31*(6), 874-900.
[3] Gaines, J. (1980). Upward communication in industry: an experiment. *Human Relations, 33*(12), 929-942
[4] Goldhaber, G. M. (1993). Organizational commitment. *Brown Communication Inc.*
[5] Goodman, J., & Truss, C. (2004). The medium and the message: communicating effectively during a major change initiative. *Journal of Change Management, 4*(3).
[6] Gruman, J., & Saks, A. (2011). Performance management and employee engagement. *Human Resource Management Review, 21*(2), 123-136. doi:http://dx.doi.org/10.1016/j.hrmr.2010.09.004
[7] Guzley, R. (1992). Organizational climate and communication climate. *Management Communication Quarterly, 5*(4).
[8] Harley, A., Lee, D., & Robinson, D. (2005). How 02 built the business case for engagement. *Strategic HR Review, 4*(6), 24-27.
[9] Hayase, L. (2009). Internal communication in organizations and employee engagement. *University of Nevada*. Las Vegas.
[10] Hume, J., & Leonard, A. (2013). Exploring the strategic potential of internal communication in international non-governmental organizations. *Public Relations Review, 40*(2), 294-304.
[11] Iyer, S., & Israel, D. (2012). Structural equation modeling for testing the impact of organization communication satisfaction on employee engagement. *South Asian Journal of Management, 19*(1), 51-81.
[12] King Jr, W. C., Lahiff, J. M., & Hatfield, J. D. (1988). A discrepancy theory of the relationship between communication and job satisfaction. *Communication Research Reports, 5*(1), 36-43.
[13] Kular, S., Gatenby, M., Rees, C., Soane, E., & Truss, K. (2008). Employee Engagement: A Literature Review. *Working Paper*.
[14] May, D. R., Gilson, R. L., & Harter, L. M. (2004). The Psychological Conditions of Meaningfulness, Safety and Availability and the Engagement of the Human Spirit at Work. *Journal of Occupational and Organizational Psychology*, (pp. 11-37).
[15] Miles, E. W., Patrick, S. L., & King, W. C. (1996). Job level as a systemic variable in predicting the relationship between supervisory communication and job satisfaction. *Journal of Occupational and Organizational Psychology, 69*(3), 277-292.
[16] O'Connell, S. (1979). *The manager as communicator*. New York: University Press of America.
[17] Prime Resources Inc. (2009). *Tips for good Employee communication.* Retrieved from http://primeresources.com/Articles/Employee%20Relations/tips-for-goodemployee-communication.pdf
[18] Ridder, J. A. (2004). Organisational communication and supportive employees. *Human Resource Management Journal, 14*(3), 20-30.
[19] Rothenberg, S. (2003). Knowledge content and worker participation in environmental management at NUMMI. *Journal of Management Studies, 40*(7).
[20] Ryynänen, H., Pekkarinen, O., & Salminen, R. (2012). Supplier's internal communication in change process to solution business-challenges and tentative research agenda. *Journal of Business Market Management, 5*(3), 154-172.
[21] Saks, A. (2006). Antecedents and consequences of employee engagement. *Journal of Managerial Psychology*, 600-619.
[22] Sarangi, S., & Srivastava, R. K. (2012). Impact of organizational culture and communication on employee engagement: An investigation of Indian private banks. *South Asian journal of management, 19*(3), 18.
[23] Sekaran, U. (2000). Research Methods for Business, A Skill Building Approach. New York: John Wiley & Sons, Inc.
[24] Shuck, B., & Wollard, K. (2010). Employee engagement and HRD: A seminal review of the foundations. *Human Resource Development Review, 9*(1), 89-110.

IJIRAS

[25] Sias, P. M. (2005). Workplace relationship quality and employee information experiences. *Communication Studies*, 375-395.

[26] Smidts, A., Pruyn, A. T. H., & Van Riel, C. B. (2001). The impact of employee communication and perceived external prestige on organizational identification. *Academy of Management journal*, *44*(5), 1051-1062.

[27] Stein, A. (2006). Employee Communications and Community: An Exploratory Study. *Journal of Public Relations Research*, *18*(3), 249-264. Retrieved from http://dx.doi.org/10.1207/s1532754xjprr1803_3

[28] The Gallup Organization. (2005). Employee Engagement: The Employee side of human sigma equation.

[29] Thomas, G. F., Zolin, R., & Hartman, J. L. (2009). The central role of communication in developing trust and its effects on employee involvement. *Journal of Business Communication*.

[30] Towers Perrin. (2006). Ten steps to creating an engaged workforce: Key European. *Towers Perrin global workforce survey 2005*.

[31] Varona, F. (1996). Relationship between communication satisfaction and organxiational commitment in three Guatemalan organizations. *The Journal of Business Communication*, *33*(2), 111-140.

[32] Yates, K. (2006). Internal communication effectiveness enhances bottom-line results. *Journal of Organizational Excellence*, 71-79.

IJIRAS