Organizational Structure And An Effective Communication: The Moderating Effect Of Transformational Leadership

Muhammad Yahaya, Mohammed Abdullah Ali Al-khawlani, Mohammed Sani Suleiman, Usman Musa Zakari Usman

ABSTRACT: Effective communication complements managerial effectiveness in organizations and is also a means of achieving organizational objectives. The settings in large organizations often make effective communication difficult. One source of this lies in the characteristics of organizational structure. This study confines to the impact of organizational structural variables on effective communication in organizations. The communication channels created by the organizational structure serve specific functions through downward, upward, and lateral communication. Thus, an organization’s structure must facilitate this effective flow of communication. This study examined the relationship of selected variables of organizational structure and the informal structure to effective communication flow among the managerial ranks at GTBank in Kaduna Nigeria. The organizational structural variables examined were specialization, departmentalization, hierarchical level, a span of control, spatial dispersion, formalization and centralization, and the informal structure. Additionally, the demographic factors of gender, age, race, position, years of company experience, and emplacement were investigated to determine their impact on communication effectiveness as well as the differences among the various groups classified by the demographic factors

Index Terms: Effective Communication, Organizational Structure, Transformations Leadership, Banking,

Introduction

Effective communication and the sharing of information between management and Employees is a fundamental prerequisite in organisational strategy to positively involve Employees in the organisation in which they are employed. The primary management Objective when formulating a communication policy or strategy should be to encourage Employees to connect with the organisation as a whole. Emphasis must be placed on the Significance of sufficient comprehension of the various structures and processes that are involved in communication within an organisation. Huczynski and Buchanan (2001) recognise that one of the main problem facing Organizations lies in persuading employees to work effectively towards the interests of the organisation. They refer to a survey carried out by Katherine Burke (1999) who Concluded that adequate attention is not given to communication in organisations, which, In turn, results in absenteeism, turnover, low productivity and workplace disputes. Communication is of paramount importance in management theory and practice as a Contribution factor towards business performance and productivity. Beardwell and Holden (2001) relate how during the 1990’s, many organisations came to recognise that the establishment of effective communication is an exceedingly significant aspect of the Efficient administration of organisations. The content of the literature review is confined to a perspective on the nature of Communication within organisations.

The importance of effective communication in Organizations is based on the theory that if employees are informed about the Organization’s decisions and have a good understanding of the reasons for decisions. They are more likely to accede to the requests or changes put forward by management Communication is an integral part of the organizational process as the flow of communication up and down the organizational hierarchy has its effects on efficiency, decision- making and morale of organizations. Thus, effective communication is regarded as the foundation of organizations today (Witherspoon, 1997; Von Krogh e al., 2000). Communication strategies are common in the business world, where they are used as part of a business plan, detailing how to communicate with various groups of people. A single business may have multiple strategies for different categories of people, such as clients, investors, competitors or employees. Some companies even have an internal communication strategy for communicating within the business itself. These strategies are used to determine things like what information to share with the clients or investors, as well as how that information should be presented. Communication is applied to all phase of managing. It is particularly important in the function of leading. Communication is critical for all level of human behavior man's ability to think and transmit the thought through the communication process, provides the binding element for social interaction. The relation success or failure of human endeavor depends to a great extent upon the effectiveness of communication According to Drucker (1985), the management effectiveness depends on his ability to listen and to read on his ability to speak and to write. Unfortunately, the importance of communication has not been well recognized in business. It is believed that anyone with common sense can write. Most managers write to impress not to express. Effective communication is a fundamental aspect of job performance and managerial effectiveness. Communication is a vital management component to any organization whether the purpose is to mainly update employees on new policies to prepare for a weather disaster to ensure safety throughout the organization or to listen to the attitude of employees;
effective communication is an integral issue in effective management. The environmental of managing may differ between large and small business, between business and other kinds of organized enterprises and between different cultures in areas of economic and social development. The researcher, therefore, believes that managerial functions are the same but at various degree of performance. The researcher wants to examine how effective communication holds the key to improved managerial performance. Individuals with little or no qualifications find themselves holding managerial positions in a company. This lack of a competence leads to wrong decision making especially when subordinates are not consulted. Organizations also have some complicated chain of command, difficult and most times the chain of command is not strictly adhered to, the company as such have overlapping authorities and responsibilities as subordinates become accountable to more than one superior. Also, most companies lack intra-communication facilities like intercoms and memos. This leads to ignorance on the part of the subordinate, about the aim and the objective of the company as well as the standard expected of them. This could lead to liaises-fair attitude to work, which is harmful to the growth and progress of the company. As a result of all the above problems discussed, the researcher intends to help such companies by elaborating on how effective communication can improve their performance.

**Literature review**

There are numerous definitions or descriptions of communication throughout Literature theory and; while is not given much weight by earlier management theorists, in recent years, it has become recognized as a specific function of management theory and practice. Greenberg and Baron (2000), define communication as "The process by which a person, group, organization? (i.e. the ender) Transmit some information (i.e. the message) to another person, group or organization (i.e. the receiver)." Houston (1 999) describes how communication is about the right information is Available to the right people at the right time. She further describes communication as a Transfer of knowledge, which is categorised into three separate areas, the internal Knowledge of an organization, the external knowledge, and the employee's knowledge. Steers (199 1) categorizes communication into two separate areas, Interpersonal Communication and organizational communication. He expands his theory further through the introduction of structures and processes that are essential to effective Communication. Kreitner and Kinicki (2004) introduce the topic of organizational Communication in the Internet age, an area that is particularly pertinent in today's changing and fast-moving global environment. "They define communication as "The exchange of information between sender and receiver, and the inference (perception) of meaning between the individuals involved" Note the introduction of perception, which is of paramount importance in the decision-making process concerned with implementing or reviewing a communication strategy in any organization. Understanding and perceptual processes are a vital component of Management theory and form a distinct separate topic, which is too vast to cover in this study.

<table>
<thead>
<tr>
<th>No</th>
<th>Author</th>
<th>Description</th>
<th>outcome</th>
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<tbody>
<tr>
<td>1</td>
<td>Ference (1970)</td>
<td>The communication system is equivalent to the process of information exchange between individuals.</td>
<td>Organizational communication system description</td>
</tr>
<tr>
<td>2</td>
<td>Greenbaum (1972)</td>
<td>A communication system as a fundamental structure to help attain high levels of organizational effectiveness. System levels discerned to investigate internal personnel interaction, effectiveness activities outlined to support internal coordinative communication. Conceptual structure for the appraisal of organizational communication (sub)systems suggested.</td>
<td>Organizational communication system</td>
</tr>
<tr>
<td>3</td>
<td>Hickson (1973)</td>
<td>Based on a systems approach, the model relies on two system components, namely, adaptation and production. Designed to discover organizational malfunctioning.</td>
<td>'Ideal communication model'</td>
</tr>
<tr>
<td>4</td>
<td>Jaciniene (2008)</td>
<td>Organizational communication system as a management tool; model designed to evaluate the effectiveness of the internal organizational</td>
<td>Theoretical organizational communication system model, empirically tested at X company</td>
</tr>
<tr>
<td>5</td>
<td>Blackbourn et al. (2009)</td>
<td>Organizational communication system presented as a practical empowerment of employee-customer feedback. Designed to facilitate effective organizational functioning and improvement.</td>
<td>Two unique organisational communication systems as practices at a university and a local business company</td>
</tr>
<tr>
<td>6</td>
<td>Bovee and Thill (1999)</td>
<td>Interrelate of five elements - environment, employees, relationships, interaction, and the aims of the organisation - systematised</td>
<td>Organizational communication system</td>
</tr>
<tr>
<td>7</td>
<td>Schmidt and Gardner (1995)</td>
<td>External environment and internal organisational elements outlined, organisational effectiveness elements singled out. The system depends upon communication climate as well as interpersonal skills and intergroup relations.</td>
<td>Model of organizational Communication system</td>
</tr>
</tbody>
</table>
Process of communication
Communication is a process of exchanging verbal and non-verbal messages. It is a continuous process. Pre-requisite of communication is a message. This message must be conveyed through some medium to the recipient. It is essential that this message must be understood by the recipient in the same terms as intended by the sender. He must respond within a time frame. Thus, communication is a two-way process and is incomplete without feedback from the recipient to the sender on how well the message is understood by him. All messages were originating from a person’s mind. The process of encoding is the way the message is written down or spoken to be able to communicate with another person. This relates to semantic level which relates how precisely the symbols and letters convinced the desired meaning variation in word communication by different people can alter the meaning of a message and voice emphasizes and or facial expressions and or gestures all part of the encoding process it is realized that the way we convene meaning by the written words, figures diagrams, speech etc. is an individual process there is a kind of uniqueness a person encodes his/her message and again depends on the situation surrounding the message.

Method
The study employed Survey Research and was conducted on a Proportional Stratified Random Sample of Managerial Staff in the selected banks. The selected respondents then completed the Communication Opinion Questionnaire. This instrument recorded the respondents’ perception of the effectiveness of the communication flow along the dimensions of organizational structural variables, and grapevine communication through the informal structure. The instrument was pre-tested for reliability of the measures by a pilot test on a few respondents in the banks and it was found to be valid and reliable. Complete sets of data were collected for 68 of the 200 Managerial Staff selected for the sample. This represented a survey return rate of 34.0 percent. The sample of 68 respondents represented 25.5 percent of the total population of 267 Managerial Staff at Sharp-Roxy Corporation. The large sample (75%) was chosen to take into account factors of non-response and sample mortality where a loss of 10 - 20% is normally anticipated. Each instrument was scored and collated with the demographic variables into a communication effectiveness data set. All the data sets were subjected to a series of statistical analyses to test the hypotheses formulated to answer the research questions. The Cronbach’s alpha was conducted to test the reliability of the organizational structure variables as predictors of effective communication flow. The results of the reliability suggested that all the interval-scaled dependent and independent variables were good measures for the study, except the structural variable of spatial dispersion which had a low reliability.

Result
This research obtained data from two main sources. Descriptive statistics used to analyses and presented the data from questionnaires. In particular, the researcher used SPSS software package version 17.0 to generate frequency distribution tables as means of presenting data. The data was summarized, analyzed and interpreted as on each research objective. The variance-based PLS method was chosen for the following reasons: PLS is relatively robust to deviations from a multivariate distribution (Gefen et al., 2000); PLS is prediction-oriented and hence gives optimal prediction accuracy (Fornell and Cha, 1994); PLS can be applied to relatively small sample sizes (Gefen et al., 2000); and PLS is appropriate for testing theories in the early stages of development (Fornell and Bookstein, 1982), since it supports both exploratory and confirmatory research (Gefen et al., 2000). With a sample size of 375 in this study, these requirements are met. A PLS model is usually analyzed and interpreted in two stages (Hulland, 1999). In the first stage, the measurement model was tested by performing validity and reliability analyses on each of the measurements obtained using the model. This sequence was followed to ensure that reliable and valid measurements of the constructs are used before conclusions about the nature of the relationships between the various constructs are drawn (Hulland, 1999).

Figure: Proposed Initial model

Figure 1.1: Path coefficient and Structural Model
Discussion
This study examined the relationship and subsequent impact of selected elements of organizational communication, namely organizational structure to effective communication flow among a sample of the managerial staff of a GTBank in Kaduna Nigeria. The variables of organizational structure examined were specialization, departmentalization, span of control, hierarchical level, spatial dispersion, formalization, centralization and the informal structure. In addition, the demographic factors of gender, age, race, position, years of company experience and emplacement were investigated to determine differences in perception of communication effectiveness. For general interest, opinion on channels of communication frequently used and most preferred, as well as some general questions on the communication climate in the organization were sought from the respondents. Two research questions were examined pertaining to the relationship of organizational structural variables to effective communication flow, and the influence of selected demographic factors on effective communication flow in the organization. There can be little argument that effective communication flow is crucial for managerial effectiveness in any organization. The pervasiveness of communication functions in all aspects of organizational life is testimony to this. Communication is the major linking pin for all organizational activities of production, finance, marketing etc. Good communication take place when an exchange of meaning occurs through a process. This process comprises a sender who encodes the message and delivers the message via a channel, and a receiver who decodes the message and gives feedback - this means effective communication occurs (Rybczyk, 1987).

Conclusion
The study findings also suggested that the informal structure did not facilitate the flow of communication or complement formal communication channels at the organization. This could be attributed to the low usage of informal channels, or its low reliability as a major source of information. In sum, the objectives of the study were achieved through the analysis of findings. Variables in the organizational structure that influence effective communication flow were examined. It was found that the structural variables of specialization, departmentalization, span of control, spatial dispersion, formalization and centralization, correlated significantly to effective communication flow. In examining the relationship between the independent structural variables and the dependent variable of communication effectiveness, the study findings suggested that the two structural variables of formalization and specialization, emerged as most significant in explaining the variance in communication effectiveness. In studying the influence of various demographic factors on communication effectiveness, only the age factor and emplacement emerged as significant.

Table 1.2: Hypothesis Testing

<table>
<thead>
<tr>
<th>Centralization (O)</th>
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<th>P. value</th>
<th>Supported</th>
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<tr>
<td>EC -&gt; EC</td>
<td>0.0807</td>
<td>1.3365</td>
<td>0.1823</td>
</tr>
<tr>
<td>EC, EC</td>
<td>0.0098</td>
<td>0.1838</td>
<td>0.8543</td>
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<tr>
<td>Formalization (EC)</td>
<td>0.217</td>
<td>4.0599</td>
<td>0.001</td>
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<tr>
<td>Moderating 1 (EC)</td>
<td>0.2677</td>
<td>3.6706</td>
<td>0.003</td>
</tr>
<tr>
<td>Moderating 2 (EC)</td>
<td>0.2219</td>
<td>3.7754</td>
<td>0.003</td>
</tr>
<tr>
<td>Moderating 3 (EC)</td>
<td>0.1199</td>
<td>2.0526</td>
<td>0.0409</td>
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<tr>
<td>Span of Control (EC)</td>
<td>0.0558</td>
<td>1.0804</td>
<td>0.2807</td>
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<tr>
<td>TL -&gt; EC</td>
<td>0.1139</td>
<td>2.1299</td>
<td>0.0339</td>
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Reference


