



**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE  
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT**

**The Effect of Internal Communication on Employees' Engagement In  
Ethiopian Electric Utility**

**A Thesis Submitted in Partial Fulfillment of the Requirements for the Degree of  
Master of Art in Human Resource Management**

**By: Tesfaye Tefera Belete**

**Advisor: Bantie Workie (PhD)**

**February, 2020**

**Addis Ababa, Ethiopia**

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## **DECLARATION**

I, Tesfaye Tefera, the undersigned person declare that the thesis entitled “The Effect of Internal Communication on Employees’ Engagement” is my original and submitted for the award of Master Degree in Human Resource, School of Commerce, Addis Ababa University at Addis Ababa and it has not been presented for the award of any other degree. Under this study, fellowship of other similar titles of universities or institutions of all sources of references used for the study have been appropriately acknowledged and noticed.

Tesefaye Tefera

Candidate

\_\_\_\_\_

Signature

\_\_\_\_\_.

Date

## **CERTIFICATION**

This is to certify that Mr. Tesfaye Tefera has properly completed his research work entitled “The Effect of Internal Communication on Employees’ Engagement” with my guidance through the time. In my suggestion, his task is appropriate to be submitted as a partial fulfillment for the award of Degree in Master of Human Resource Management.

**Bantie Workie (PhD)**

.....

.....

Advisor

Signature

Date

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## **LIST OF ACRONYMS/ ABRIVATION**

ANOVA.....	Analysis of Variance
EEU.....	Ethiopian Electric Utility
H.O.....	Head Office
MRT.....	Media richness theory
SPSS.....	Statistical Package for Social Science

## **ABSTRACT**

*This study aimed to examine the effect of internal communication on employees' engagement in Ethiopian Electric Utility (EEU). The study appropriately employed mixed research approach and explanatory research design. The primary data was collected through self-administered questionnaire and structured interviews. This study targeted the total number of 954 employees working in Addis Ababa. The sample size is 282 employees based on Slovin's sampling formula; and the study used stratified sampling technique. Respondents from each level of stratum were selected by applying simple random sampling technique. The study found that most of communication channels have been well implemented in the study organization. However, some communication channels like intranet have been inadequately implemented. Pearson correlation test indicated that there is a significant and positive relationship of internal communication skill, channel and climate with employees' engagement. Among the three factors of internal communication; communication skill has been identified as the most influential of engagement in the organization; nevertheless; it has been paid the least attention. Communication climates contribute the least to employees' engagement; these include lack of openness and reliable information from managers and employees. There are communication differences with respondent age in terms of using communication skills and channel. Communication climates are dependent upon gender and experience. The regression test has shown that internal communication is able to predict employees' engagement by 50.9 %; whereas the remaining or less than 50 % explained by other variables which have not been addressed in this study. Thus, it could be concluded that the role of internal communication to enhance employees' engagement is paramount. The demographic diversity of employees has not paid the appropriate attention for the roles it has in relation to internal communication variables. This study has given a hint to consider the age, experience and gender in nurturing internal communication variables so as to enhance employees' engagement. This study recommends as employees' engagement is very sensitive to internal communication, EEU managers should design and implement internal communication strategy to boost employees' engagement. This should be accompanied by an effective training about internal communication. Additional dimensions of internal communications should be broadly investigated to give a depth insight that may have an effect on employees' engagement.*

**Key Words: Internal Communication, Employees' Engagement, Electric Utility**

# CHAPTER ONE

## INTRODUCTION

The aim of this chapter is to show the general framework of the study which guided the researcher to keep in track. In this chapter, the problems which triggered the researcher to study on have been discussed; and the basic research questions that this study was expected to answer have been revealed so as to meet the general and specific objectives driven from those research questions. The practical and theoretical significance of the study have been elaborated by showing the boundary of this research topic with some delimitation it faced.

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

The earliest documents found have been an evidence for an internal communication originated in the 1840; when employees prepared and distributed internal newsletters. However; those newsletters and magazines used as a medium of internal communication (1840s to the 1940s), were mainly dominated by top management articles (Ruck, 2013). Beauty (2013) relationships grow out of communication and the survival and functioning of organizations is largely dependent on effective relationships among groups and individuals. A major constituent of communication in any organization is internal communication that would be difficult to address different information to different employees of the company, as the blood vessels are disabled to carry blood to reach different parts of the body organs. And an organization dies due to lack of employees' engagement as our body organs feel weakness and results the death of a person due to a lack of blood (Morris, 2010).

A study shows that the importance of engaged employees has a direct link with innovation and productivity (Bakker, 2008). As Markos and Sridevi (2010) cited Robinson, employees' engagement is defined as a positive attitude owned by employees towards an organization and its values.

Bakker and Demerouti (2008) reported in their study that employee engagement has become a fundamental concept in that it affects an organization's effectiveness and competitiveness. This is in effect to ascertain that it is very important for every organization to have an effective internal communication; because internal communication can act as a source of exchanging knowledge and ideas given that information is the basis of communication. Gallup (2006)

explained that organizations started to give attention to employees considering them as an asset so as to utilize their knowledge, skills and abilities in order to keep the sustainability of their competitiveness in the industry.

However; as outlined by Zaremba (2003), communication is a central and not a peripheral component of organizational effectiveness. It is vital and a pervasive activity in organizations; and it is not something that only some people in organizations must do or something that occurs infrequently. Many of the problems that occur in an organization are the direct result of people failing to communicate (Beauty, 2013). Leaders of organizations who keep everything inside or cannot communicate a message, leave individuals to their devices to try and figure out what they may, or may not want. This is a failure of leadership and communication (Baldoni, 2003). It also leads to confusion and can cause a good plan to fail (Beauty, 2013).

Accordingly, the Ethiopian Electric Utility (EEU), the focal point of this research, has different practices of internal communication so as to bring peaceful work environment. The study was intended to review its communication gap as well as communication skills, communication channels, communication climate which enriches and measures its effectiveness. An outsourced Survey conducted by Walta media and Communication Corporate (2019), shows there is only 32% EEU's customers' satisfaction. The findings of the survey might be an indicator for less company performance due to less engaged employees (Demerouti and Bakker, 2006). The interview conducted with the Head of Employee Relation Office; indicates there was a lack of timely and open communication of employees about the changes made in the organization. The absences of scheduled supervisor-employee meetings aggravate the informal communications like grape veins and rumors. Insufficient or inappropriate communication creates irritation, insecurity, disintegration and the spreading of rumors (Shannon & Weaver, 1949).

Communication problem is more often a symptom of more deep rooted problem; as a result it causes uncertainty about the direction of the organization (Koontz H., 2012). (Pearson & Nelson, 2010) stated that communication problem does affect the work adversely and hinders the progression of the company and making the output of the whole system virtually impossible. From the context of Ethiopia, Biruk (2019) found that employees' engagement is affected by internal communication by 30 % whereas the remaining i.e. 70% accounts other factors not addressed in his research. Hence, the core objective of this research is to find out the effect of

EEU internal communication on employees' engagement so as to recommend alternative solutions; keeping other HRM practices as constant.

## **1.2. Background of the Study Organization (EEU)**

Electric Power was introduced to Ethiopian in the late 19<sup>th</sup> Century, during the regime of Minilik II. The first generator was said given to Minilik II around the Year 1898 to light the palace. In the year 1948, an organization called Shewa Electric Power was established. The new organization Shewa was with limited capacity, managed to increase the power supply not only in Shewa but also other administrative regions. In light of its function, its name was changed to "Ethiopian Electric light and Power" in the year 1955. Soon after its establishment, the supervision and management of the organization was vested in the Board of Directors appointed by the government.

After eight months of its establishment, the Ethiopian Electric light and Power was transformed to the "Ethiopian Electric Light and Power Authority" or EELPA (Charter of the Ethiopian Electric Light and Power, 1955). Again, in order to accommodate the new changes in the environment, the Ethiopian Electric light and Power Authority was transformed to the Ethiopian Electric Power Corporation by regulation No. 18/1997, and conferred with the powers and duties of the previous Ethiopian Electric Light and Power Authority.

In 2014, in order to improve the operations and services of the electric utility company, the Ethiopian Electric Power Corporation (EEPCo) was divided into two independent entities, the Ethiopian Electric Power (EEP) and Ethiopian Electric Utility (EEU).

Currently, the Enterprise delivers electric utility decentralized based on the nine Regional States and two Cities of the Country each led by Deputy Chief Officers. The total nine Regional strategic business units have their own human resource administration offices where their policy and manuals are developed and distributed centrally from the Corporate HR Management and Development Directorate (EEU Delegation of Power, 2019).

The Corporate HR Management and Development Directorate Office has nine subunits or functionally organized offices (EEU Organizational Structure, 2019). Among these, the Employee Relation Office has given a significant role in relation to internal communication activities together with Internal Communication Directorate and the Enterprise's Labor Union

(EEU Delegation of Power manual, 2019). By the time this study conducted, the total number of the employees was 22,855 which have been deployed at different places and offices of the company (EEU Employee data base, 2020). The draft profit & Loss statement for the Ethiopian budget year ended Sene 30, 2012 (July 07, 2020) shows that the annual revenue of the company was 10,691,793,601.43 with a net profit of 561,276,623.01.

### **1.3. Statement of the Problem**

With increasing competitive markets, globalization, a volatile economic climate, demands for constant change, organizations face significant challenges in their pursuit for business success. This might be the main case that employee engagement is now a management hot topic and one which has quickly absorbed into the HR agenda (Robertson-Smith & Markwick, 2009).

During 2010 to 2011 in a consecutive six monthly employees' engagement survey was conducted at Delhi International Airport and found that the role of internal communication on employees' engagement is paramount. Experts and members of the top management decided to find out the scientific relationship in between internal communication and engagement of employees. The scientific study indicated that there is a positive relationship between internal communication and employees' engagement (Balakrishnan & Masthan, 2011).

When employees are engaged, they are conscious about their responsibility in the business goals and inspire their colleagues to do so, for the ultimate achievement of the organizational goals. Robertson-Smith and Markwick (2009), engaged employees are more likely to stay with the organization and perform 20 per cent better than their colleagues and act as advocates of the business.

To the contrary, disengaged employees tend to withdraw themselves from work physically as well as cognitively. Also they are causes to produce unfavorable financial results and decrease the effectiveness of organization. As Tasker (2004) pointed out, there is an increasing trend of disengagement, yet only 52 per cent of organizations are doing anything about it, and 44 per cent of a study of 400 HR professionals considered tackling the issue to be an 'overwhelming challenge'.

There are lots of factors affect the level of employee engagement. Among all, Maniraho and Mohd (2017) assessed only the role of communication Channels. Mekedes (2015) assessed the formal communication only. Another research conducted by Biruk (2019); focused on the

Dennis (1974) five constructs of internal communication climates in relation to employees' engagement. However; other variables of effective internal communication have not been addressed in the previous researches. Mirjana and Aleksandra (2016) assessed the importance and role of internal communication in telecom organizations. But the effect of internal communication on employees' engagement in electric utility organization has been overlooked.

EEU has no an organized internal communication strategy and policy (interview conducted with the Internal Communication Directorate Director, 2019). This scenario might indicate the low level of communication skill which is an essential factor of an effective internal communication (Beauty, 2013, p.74). The existing communication channels in the organization have not been sufficiently and appropriately utilized (Researcher observation, 2019).

The lack of employee satisfaction is one of the indicators to problems with the internal communication (Ali & Haider, 2012). EEU employees' satisfaction survey report indicates that around 60 % of employees were dissatisfied (EEU Employee Relation Office, 2019). This has also an adverse effect on employees' engagement (Mbhele, 2016) which in turn results low performance (Bakker et al., 2006). However; there was no sufficient information found in EEU; in relation to the link between internal communication and employees' engagement.

In organizations where effective communication is exercised, have less employees' turnover and resistance, increased commitment, greater employees' engagement and higher level of company returns (Guzley, 1992). However; Robertson-Smith & Markwick (2009) on the review of current thinking on employees' engagement; the level can vary according to different biographical, personality characteristics, seniority, occupation and length of service in an organization.

Based on the identified research gaps and EEU problems discussed above; this research addressed the internal communication factors namely: communication skills, communication channels and communication climates; and the investigation of differences between these internal communication factors and employees' engagement within different demographic factors namely: gender, age, educational level, working place and service year. Finally; this research examined the effect of internal communication on employees' engagement in EEU.

## **1.4. Research Questions**

### **1.4.1 Main Research Question**

- What is the effect of internal communication on employees' engagement in Ethiopian Electric Utility (EEU)?

### **1.4.2 Specific Research Questions**

- To what extent do communication skills influence employees' engagement in Ethiopian Electric Utility (EEU)?
- To what level do communication channels influence employees' engagement in Ethiopian Electric Utility (EEU)?
- To what level do communication climate influence employees' engagement in Ethiopian Electric Utility (EEU)?
- Are there a significant difference between internal communication and engagement of employees with different gender, age, educational level, working place and service year?

## **1.5. Objectives of the Study**

### **1.5.1 General Objectives**

The General Objectives of the study is to find out the effect of internal communication on the engagement of EEU Employees.

### **1.5.2 Specific Objectives**

- To find out the level of effect, communication skills have on employees' engagement in Ethiopian Electric Utility (EEU).
- To examine the level of effect, communication channels have on employees' engagement in Ethiopian Electric Utility (EEU).
- To investigate the effect of communication climate influence employees' engagement in Ethiopian Electric Utility (EEU).
- To test if there is a significant difference between internal communication and engagement of employees with different gender, age, education level, working place and service year.

## **1.6. Significance of the Study**

The findings of this study will contribute to explain EEU internal communication problems which might bring about low levels of employee engagement. The recommendations provided by this study; will likely go a long way to benefit internal communication and employee relations practitioners of EEU; what and how to get the best out of the employees.

Besides, this study is believed to be relevant to senior management members and HR professionals in EEU who are involved in decision making process and who may use the findings of this study to interpret and determine what communication strategy and policy are required for improvement.

In the academic domain, this study also serves as a reference point for other researchers and scholars interested in internal communication and its implications within an organizational setting.

## 1.7. Scope of the Study

This study focused on employees working in EEU; at the head office, regional office, District Office and Customer Service Center located in the city of Addis Ababa due to time and financial budget constraints. Nevertheless; the core organizational levels were reached in the study.

The study deployed factors of internal communication: communication skills (Beauty, 2013), communication channels (Hayase, 2009) and internal communication climate (Dennis, 1974) those affects employee engagement. The indicators of employees' engagement are confined to vigor, dedication and absorption (Bakker & Schaufeli, 2004). The study restricted to assess the level of effect, communication skills, communication channels and communication climate have on employees' engagement in Ethiopian Electric Utility (EEU).

Methodologically, this study followed mixed research approach and deployed explanatory research design. The primary data was collected through self-administered questionnaire and structured interviews.

## 1.8. Definition of Terms

### 1.8.1 Operational Definitions

- **Employee** - is a person employed by an employer, but does not include a person who, performs a function of manager or superintendent or is employed in confidential capacity on matters, relating to labor relations of personal (Albright, 2003).
- **Employees' Engagement** – positive emotions of employees towards their work, to find their work to be personally meaningful, considering their work load to be manageable, and having hope about the future of their work (Attridge, 2009)
- **Internal Communication** – is the exchange of ideas and information in an organization and it embraces the communication skills, communication channels and communication climate (Bovee & Thill, 2000).
- **Communication skill** - listening skill, understanding skills, talking skills, asking skills, and convincing skills (Beauty, 2013).
- **Communication channels** - mediums such as e-mail and face-to-face interactions used in transmitting information and used to convey information and messages during the

communication process and they are also referred to as modes of communication (Mbhele, 2016).

- **Communication climate** - involves the perceptions that employees have about the quality of information, reliability of information, superior-subordinate communication, openness, and opportunity to upward communication in an organization (Dennis, 1974 & Albright, 2003)

## **1.9. Organization of the Research Report**

The introduction part of the research paper covers background of the study, statement of the problem, basic research questions, general and specific objectives of the study, hypothesis, definition of terms, significance of the study, and scope/delimitation of the study. The next chapter deals with the literatures relevant to this research proposal. It encompasses introduction, theoretical review, empirical review and the conceptual framework of the study. Under the third chapter, the type and design of the research proposal are discussed (namely research methodology). The subjects/participant of the study; the sources of the research data; the data collection tools/instruments employed; the procedures of data collection; and the methods of data analysis used. Subsequently, presentation, analysis & interpretation are followed and it summarizes the results/findings of the study, and interprets and/or discusses the findings against the literature reviewed. Finally, Chapter five which includes summary of findings, conclusions, limitations of the study and recommendations are discussed. The summary of findings is drawn from the results discussed under chapter four. Conclusions will be drawn from the summary of findings; specify any limitations that could have effect on the research conclusions.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURES**

The aim of this chapter is to show a clear linkage between different theories and empirical studies of different scholars with internal communication and employees' engagement. The conceptual definitions of the independent variable (Internal communication) and the dependent variable (employees' engagement) are discussed from the context of different theories and empirical studies. The three factors of internal communication (communication skills, communication channels and communication climate) and indicators of employees' engagement (vigor, dedication and absorption) are discussed very well.

#### **2.1. Theoretical Framework of the Study**

##### **2.1.1. Theories related to Communication**

###### **2.1.1.1. Media Richness Theory (MRT)**

Channels can be ranked based on the degree of their richness; which is to mean that capability of the mediums to carry various communication cues, ability to give instant feedback, and offer a personal focus to communication (Welch and Jackson, 2007).

Media richness describes the density of learning that can be conveyed through a specified communications medium. Face-to-face communication is the richest medium according to MRT because it allows for the simultaneous interpersonal exchange of cues from linguistic content, tone of voice, facial expressions, direction of gaze, gestures, and postures.

Media richness deserves to be more widely known because people make choices throughout a day about communications media often without considering the consequences of the choice of medium, and the goodness of fit between the content of a message and the medium through which it is being communicated (Rothmann and Storm, 2003).

Thus, the consequences of media richness and the concept of media choice became relevant for this study that all types of communication are compared to each other in their ability to convey understanding to another person. When we speak about how 'rich' a source of communication is, we are referring to how much information is being transferred from the sender to the receiver.

### **2.1.1.2. Critical Theory of Communication**

Critical Theory of Communication in Organizations is related to corporate control over employees and this has an implication of having less opportunity to communicate upward (Sanchez, 2004). Thus, this theory is relevant as it offers a vital set of new insights on how communication operates in the age of information, digital media and social media. Critical Theory analyzes social relations of communication primarily in terms of the structural forms of disrespect they generate. It focuses on the damage and distortion of social relations of recognition (Honneth, 2007).

### **2.1.1.3. Diffusion of Innovations Theory**

According to Wallace & Deborah (2016), this theory pioneered in 1943 by Bryce Ryan and Neil Gross of Iowa State University. This theory traces the process by which a new idea or practice is communicated through certain channels over time among members of a social system. The model describes the factors that influence people's thoughts and actions and the process of adopting a new technology or idea. It originated in communication to explain how, over time, an idea or product gains momentum and diffuses (or spreads) through a specific population or social system. The end result of this diffusion is that people, as part of a social system, adopt a new idea, behavior, or product. Thus, this theory helps in communication to explain adoption that is the person must perceive the idea, behavior, or product as new or innovative. It is through this that diffusion is possible.

### **2.1.1.4. Social Learning Theory**

Rothmann, S. and Storm, K. (2003) stated that this theory was primarily proposed by Albert Bandura at Stanford University. It specifies that mass-media messages give audience members an opportunity to identify with attractive characters that demonstrate behaviour, engage emotions, and allow mental rehearsal and modelling of new behaviour. The perspective is based on social learning theory, in other words learning is a social activity and this is based on our needs as humans to fit in with others. In organisations this happens to some extent naturally as we learn to fit in with things such as dress codes, behaviour in meetings and so on. Fitting in means that we can be accepted as successful in the organisation, but it is not necessary that we internalise and believe in these codes. Therefore, this theory is vital in this study as it focused on role models, mentors and peer support, and 'buddies', to intensify our natural will to fit in.

### **2.1.1.5. The Shannon-Weaver Model**

Sotco (2015) cited Shannon and Weaver (1949) produced a general model of communication known after them as the Shannon-Weaver Model. It involved breaking down an information system into sub-systems so as to evaluate the efficiency of various communication channels and codes. They propose that all communication must include six elements such as source, encoder, channel, message, decoder and receiver. This model is often referred to as an "information model" of communication. A drawback is that the model looks at communication as a one-way process. That is remedied by the addition of the feedback loop. Al-Fedaghi (2012) called it as 'mother of all models' of human communication. It is also known as the 'information theory'. It is a mathematical theory considered to be a 'linear' communication model. It is considered to be a highly effective communication model that explained the whole communication process from information source to information receiver. Thus, this model is vital in this study to explain the barriers to effective communication very well. It was revolutionary model because it explains the concept of 'noise' in detail. It shows how information is interrupted and helps people identify areas for improvement in communication.

### **2.1.2. Theories related to Employees' Engagement**

Employee engagement is about how to achieve a company's strategic goals by creating the conditions for human resources to thrive and, for each staff member, manager and executive to be fully switched on in their jobs so as to deliver their best efforts in the best interest of the business (Scheufeli & Bakker, 2004).

The theory of employee engagement, when stated simply, looks like common sense. According to the theory, leaders of an organization must ensure that all their staff members are fully engaged, that they are fully switched on at their jobs. The ideal is that the staff is fully committed, in the same way entrepreneurs care for their businesses or people in general look after their own household. To expand on this definition a bit, we can say that employee engagement is also a two-way street: a reciprocal relationship of trust and respect between employer and employee. It requires an organization's executives and managers to communicate their expectations, clearly and extensively, with the employees, empower the employees at the appropriate levels of their competence, and create a working environment and corporate culture

in which engagement will thrive (Attridge, 2009). Below, some employee engagement approaches and models are discussed.

#### **2.1.2.1. Kahn's need satisfying approach**

Kahn (1990) defined personal engagement as “the simultaneous employment and expression of a person's ‘preferred self’ in the behaviors of task that promote connection to work and to others, personal presence, and active full role performance”. According to Kahn, employees can be engaged on a physical, emotional and cognitive level: these levels are significantly affected by three psychological domains: meaningfulness, safety and availability. In turn, these domains create influence on how employees perceive and perform their roles at work. He describes psychological meaningfulness as a feeling the person experiences in return for the cognitive and emotional energy invested into task performance. The employees experience meaningfulness when they feel useful, valuable and not taken for granted, and that their work is important, desired and valued too. Work meaningfulness means that employees are more likely to dedicate their efforts to specific tasks, instead of withholding – this indicates the presence of engagement.

#### **2.1.2.2. The Burnout-Antithesis Approach**

Rooted in occupational health psychology, this approach views work engagement as the positive contrast of burnout. More specifically; energy, involvement and efficacy are characteristics of engagement and these directly oppose the three burnout dimensions which are exhaustion, cynicism and lack of accomplishment. This implies that a person with higher engagement is inevitably low on burnout, and vice versa. Accordingly, engagement of employees is defined as a persistent positive affective state of fulfilment in employees which is characterized by vigor, dedication and absorption. Vigor refers to the employees' willingness to invest their efforts into their job, the high levels of energy and their endurance and persistence in the face of difficulties. Dedication refers to the employees' strong involvement in their work; they have a sprite of enthusiasm and significance. Absorption is characterized by employees occupied with work enjoyably; this can be demonstrated by the employee not keeping the track of time and their inability to separate themselves from the job at hand (Attridge, 2009). Thus, this theory is vital as it relates engagement with the match between an employees' profile and the job. This match can be explained as feelings of choice, a supportive work community, fairness and justice, meaningful and valued work, sustainable work load, recognition and reward.

### **2.1.2.3. The Satisfaction-Engagement Approach**

This approach argues that the term employee engagement refers to an involvement and satisfaction of individuals with enthusiasm for work (Harter, Schmidt & Hayes, 2002). In their meta-analysis, they agreed with Kahn's concept (1990) and saw engagement occurring when employees are cognitively and emotionally engaged and when they exactly understand what is expected from them. They also agreed that engagement was dependent on the employees having the tools necessary to do their tasks, feelings of fulfilment, perceiving themselves as being significant, working with others whom they trust and having the chance for improvement and development. Thus, this theory is vital as it focuses on involvement of individuals, motivation for work and their job satisfaction.

### **2.1.2.4. The Multidimensional Approach**

Employees' engagement, from the perspective of Multidimensional Approach is defined as a distinct construct which consists of behavioural, emotional and cognitive components associated with individual performance. Probably the most important issue in defining engagement is "where to draw the line". Or put differently, what elements to include and what elements to exclude from the definition of engagement. Hence, unlike the definitions given above which tries to cover the range of concepts which have in one way or another been associated with engagement; the researcher agrees with the model proposed by Schaufeli and Bakker (2010) that considers work engagement as an experienced psychological state which mediates the impact of job resources and personal resources on organizational outcomes (see the model under conceptual frame work).

Thus this theory is vital as it explained work engagement that is to consider engagement as a psychological state in conjunction with its behavioural expression that may help us not to define work engagement narrowly as an experience (i.e., purely psychological state) in which case its practical relevance is reduced, or not to define it in broader terms including its behavioural expression, in which case the concept gets fuzzy.

They create an opportunity to identify with attractive characters that demonstrate behaviour, engage emotions, and allow mental rehearsal. They involved breaking down an information system into sub-systems so as to evaluate the efficiency of various communication channels and

climates. Thus, the above theories and models are important for this study as they include communication skill, channel and climates.

### **2.1.3. Concepts and Definitions of Internal Communications and Employee Engagement**

#### **2.1.3.1. Internal Communication**

Internal communication has been given numerous definitions by different scholars in the field. Conceptually internal communication is synonymous with intra-organizational communication, organizational communication, employee communication, and internal relation (Mbhele, 2016)

As Hayase (2009) narrated the historical background of internal communication; in the 1940s, large-scale projects in communication research focused on war efforts. Among the researches; the films “Why We Fight” were designed to teach soldiers about the war as well as shape their interpretations and opinions. When these films failed to produce the desired results, the war department called upon a team of researchers, many of whom were communication scholars, to find out why. Hayase said that the research team found the films were very limited in their persuasive effects.

Bovee and Thill (2000) defined internal communication as the exchange of ideas and information within an organization. This definition implies that all communications among employees, whether formal or informal could be taken as internal communication. Organizational boundaries could be the distinguishing factors for internal communication from the other types of communications.

Welch and Jackson (2007) view internal communication from a stakeholder approach and define it as “the strategic management of interactions and relationships between stakeholders at all levels within organizations”.

Internal communication is classified in to formal and informal communication (Mbhele, 2016). The formal communication is explained as communication initiated by management whereas informal communication exists without specific initiation. Formal communication is initiated by managers in the form of policies and procedures which cascaded in the organizational hierarchy. Informal communication defined as communication that take place among the members of the organization, irrespective of the level of employment. Pettinger (2010) pointed out that informal

communication includes grape vine usually not confirmed by management but information flows regarding the organization and its employees.

#### **2.1.3.1.1. Role of Internal Communication**

Communication affects our lives as much as nutrition or health and that is why it is very important to know what communication is and what it comprises (Blundel, 2004, cited by Beauty, 2013, p.41). A study exhibited that internal communication could bring a sense of greater responsibility and community among organizational members, encouraging them to become advocates at personal level (White, Vance & Stafford, 2010). Lewin cited by Wrench, (2015) helped to identify the fact that workers want to have a voice and provide input in their tasks.

Communication is identified as a major challenge in providing information like that of strategies. Hence, it has been given more attention considering its significant effect on work behavior and managerial skills (Caputo, Ford & et al, 2013). It is also an important instrument to bring about a successful change by preparing and involving people through creating awareness about its positive and negative effects (Spike & Lesser, 1995).

From the perspective of management, internal communication is also categorized under three functions; the first function is to spread the goals, tasks, and rules of the company; the second function is to coordinate the activities of the company; and the third function is to provide management with information regarding the condition of the company and the reliability of downward information flow from the management (Franklin, 2012).

### **2.1.3.2. Employees' Engagement**

Attridge (2009) defined employee engagement as employees feeling positive emotions toward their work, finding their work to be personally meaningful, considering their workload to be manageable, and having hope about the future of their work.

The concept of employee engagement was developed by Kahn (1990) in his ethnographic work on a summer camp employees and employees with an architecture firm. And he defined employee engagement as the harnessing of organization members' selves to their work roles; people employ and express themselves physically, cognitively, and emotionally during role performances (Kahn, 1990). Kahn also added, when there were perceived benefits, guarantees and necessary resources; employees were supposed to be engaged in that situations.

Kroth and Boverie (2013) indicated that engaged employees are passionate about the work they do, which is accompanied by excitement, enthusiasm and productivity. Engaged employees are more likely to stay with the organization, perform 20 per cent better than their colleagues and act as advocates of the business (Robertson-Smith & Markwick, 2009). Engagement can enhance bottom-line profit and enable organizational agility and improved efficiency in driving change initiatives. Engaged individuals invest themselves fully in their work, with increased self-efficacy and a positive impact upon health and well-being, which in turn evokes increased employee support for the organization (Robertson-Smith & Markwick, 2009).

Engaged employees are concerned about the future of the organization and are willing to invest discretionary efforts to organization (Bakker *et al.*, 2011). Studies on employee engagement (Tower, 2007) linked the same to customer impact and financial results. They suggested that there exists a close relationship between high levels of employee engagement and lower staff turn-over rates, higher customer satisfaction and loyalty.

There are seven commonly referenced drivers of engagement: the nature of the work undertaken, work that has transparent meaning and purpose, development opportunities, receiving timely recognition and rewards, building respectful and assertive relationships, having open two-way communication systems and inspiring leadership (Robertson-Smith & Markwick, 2009).

Kahn (1990) proposed three antecedents which give an opportunity to increase level of engagement; these are psychological meaningfulness – influenced by work characteristics such as challenges and autonomy (Bakker & Demerouti, 2007), psychological availability –

influenced by the sufficiency of psychological and physical resources such as self-confidence to invest in their role performances (Hallberg & Schaufeli, 2006).

Bakker and Schaufeli (2004) explained engagement as a positive fulfilling work-related state of mind which is described by vigor, dedication and absorption. Based on this explanation; vigor, dedication and absorption served as there dimensions to measure employees' engagement.

#### **2.1.3.2.1. Vigor**

It is characterized by high level of energy and mental resilience of employees while working. Vigor includes the willingness to invest effort and persistence in the face of difficulties (Bakker & Schaufeli, 2004) and employees go beyond their job described in a manner that promotes effective organizational functioning (Bakker & et al., 2011).

#### **2.1.3.2.2. Dedication**

It is described by strong involvement in a given work and having a sense of significance, enthusiasm, inspiration, pride and challenge (Bakker & Schaufeli, 2004). Hence, dedicated employees are enthusiastic, feel inspired and proud of their job (Mbhele).

#### **2.1.3.2.3. Absorption**

Employees characterized by absorption are fully concentrated and happily engrossed in their work, whereby time runs fast and difficult to detach themselves from the work (Bakker & Schaufeli, 2004). Employees who demonstrate absorption are in lack of self-consciousness as they are totally absorbed in their work.

### **2.1.4. Factors of Internal Communication**

Based upon the above theories and empirical evidences, the researcher confined to the factors of internal communication coinciding with statement of the research problems. These factors are namely; communication skills, communication channels and internal communication climates. And each factor is discussed from the angle of their basic characteristics; roles for effective internal communication and their relationship to employees' engagement.

#### **2.1.4.1. Communication Skill**

This literature review covers the communication skills necessary for both managers and employees. For the communication to be effective in the company, it is necessary for the top management as well as employees to understand clearly. The communication skills are listening skill, understanding skills, talking, asking, and convincing skills (Beauty, 2013). Effective use of communication skills at work place is very important; because it ensures the employees to get clear, concise and complete message that make it easy to perform their tasks effectively (Beauty, 2013). But failure to communicate at work place causes misunderstanding, errors then failure to achieve the corporate goal at the optimal level. Communication skills are the highest challenges to both top management and employees at work place, this become the source of unclear policies, rules and objectives which is the key factor for organizational success (Beauty, 2013).

#### **2.1.4.2. Channels of Internal Communication**

The creation of effective communication channels is the most cost effective way of increasing productivity considering the values of several other factors that affect employee performance (Friedl & Vercic, 2011). Now a days, instant messaging has become familiar to organizations for formal and informal communications (Vanover, 2008).

When determining how to communicate with employees, organizational leaders should take into account employees' communication channels (Friedl & Vercic, 2011; Gallicano et al., 2012; Ruck & Welch, 2012). The medium chosen for communicating is important depending on the receiver and type of information being disseminated (Dobos, 1992). Hayase (2009) stated that the act of merely communicating with employees is just the beginning of a strategic plan necessary for effective communication.

Social Presence Theory assumes that channels of communication are valued according to their psychological closeness to their interactants (Kurpitz & Cowell, 2011). Organizations use various communication channels to communicate with their internal stakeholders; and the preference for each specific channel over another mainly depends on the content to be communicated and the target audience. Different channels have different capacities to effectively convey information (Mbhele, 2016).

### **2.1.4.3. Communication Climate**

Organizational communication climate is very essential regardless to the formal or informal communication channel is used; because it gives a global expression of what the organization is (Admin, 2007). Satisfaction of communication climate is explained as the extent to which workers are motivated by organizational communications so as to meet objectives of the organization (Mbhele, 2016). As two persons start to communicate, communication climate begins to develop (Mohammed & Hussein, 2007). Admin (2007) cited by Dennis (1974) theorized communication climate as a subjectively practiced quality of an organization's internal environment. Therefore; through interactional process, members of the organization substantiate the existence of trust, support, concern and candidness. Dennis (1974) developed five factors of internal communication climate; namely superior-subordinate communication, quality of information, reliability of information, superior openness/candor, and opportunity for upward communication.

## **2.2. Related Empirical Studies**

### **2.2.1. Evidences from Global Studies**

Scholars have written different factors that determines the effectiveness of internal communication from the context of different viewpoints. With the introduction of employees' engagement; new variables introduced for measuring it; some of them are message management, channels, trust, credibility, organizational goals, internal and external alignment, accuracy, openness, timeliness and relevance of a receiver (Asif & Sargeant, 2000).

In a 2016 ATD study, 83 percent of respondents witnessed that communication has a significant role to a managerial success. Managers put strategic plans into action, secure employee buy-in on company strategies, ensure day-to-day operations run smoothly, and communicate progress up and down the organization. The ability for managers to effectively communicate is critical (Lewis, 2017).

Employee engagement is a factor on the financial performance which affects the longevity of an organization (Bersin, 2014). Shrita and Mohamad (2017) studied that disengaged employees typically cost U.S. corporations \$350 billion annually. To make or maintain their companies' profitability, leaders of companies must work hard to engage employees (Kortmann & *et al.*, 2014) Practitioners and academics tend to agree that the consequences of employee engagement are positive (Saks, 2006).

When compared with industry competitors at the company level, organizations with more than four engaged employees for every one actively disengaged, experienced 2.6 times more growth in earning per share than did organizations with a ratio of slightly less than one engaged worker for every one actively disengaged employee (Ott, 2007) cited Gallup research.

Miles and Maxwell (2009) stated that engaged employees can produce high levels of quality and improved productivity. In support of their views, Furham (2008) explained that engagement leads to other desirable outcomes such as customer satisfaction, employee retention, and ultimately profitability. Employee engagement strategies implemented by business leaders result in higher levels of employee engagement (Blattner& Walter, 2015); customer satisfaction, productivity, and profit (Bowen, 2016), and lower levels of employee accidents and turnovers (Barrick, Thurgood, Smith, & Courtright, 2014). Business leaders adopt the concept of SDT to

enable employees to hold positive attitudes toward their organization (Mowbray, Wilkinson, & Tse, 2014).

### **2.2.2. Evidences from African Studies**

A research conducted on Kenya Power and Lighting Company by Wallace & Deborah (2016) aimed to explore the effects of communication on employee performance in the context of the South Nyanza Region. Using descriptive and cross-sectional survey design with stratified random sampling, the study was found that downward communication is appreciated by KPLC thus information is timely, enhancing performance. Respondents also acknowledged that through upward communication the management gets feedback on performance and employees are able to raise complaints to the management hence enhancing performance. Lateral communication was also found to be essential since it enables interactions within departments, team building and proper work coordination. The research concluded that effective communication can enhance employee motivation and performance and recommended that strong communication systems should be emphasized in the region to ensure effectiveness of communication.

On the other hand, Rothmann, S. and Storm, K., (2003) investigated the relationships between communication and other personal resources and work engagement. They conducted a large cross-sectional study among 1,910 South African police officers, and found that engaged police-officers use an active coping style. They are problem-focused, taking active steps to attempt to remove or rearrange stressors. Results presented that engaged employees are highly self-efficacious; they believe they are able to meet the demands they face in a broad array of contexts. In addition, engaged workers have the tendency to believe that they will generally experience good outcomes in life, and consider they can satisfy their needs by participating in roles within the organization.

On contrary, Mxegne, Dywili and Bazana (2014) studied on job engagement and employees 'intention to quit among administrative personnel. Their study related to turnover intention as the major predictor of actual turnover due to the fact that turnover intention leads to actual turnover. They stated that the allocation of personal resources to role performance and how intensely and persistently such resources are applied. In engagement, organization members harness their full selves in active, complete work role performances by driving personal energy into physical, cognitive, and emotional labors. Sotco (2015) investigated the perceived

importance of communication skills course. The study aimed to examine the perceived importance of communication skills course among Tanzanian university students. It was revealed that the communication skills course was perceived by the majority of the respondents as an important course for the acquisition of communication skills needed in academic settings. It is recommended that universities should improve the delivery of the course by ensuring that both human and material resources are adequately available for the realization of the anticipated course outcomes.

From the angle of improving communication between the top management and employees' relations at workplace; Beauty (2013) conceptualized five factors of effective communication namely: means of communication, communication policies, organizational culture, organizational structure, and communication skills.

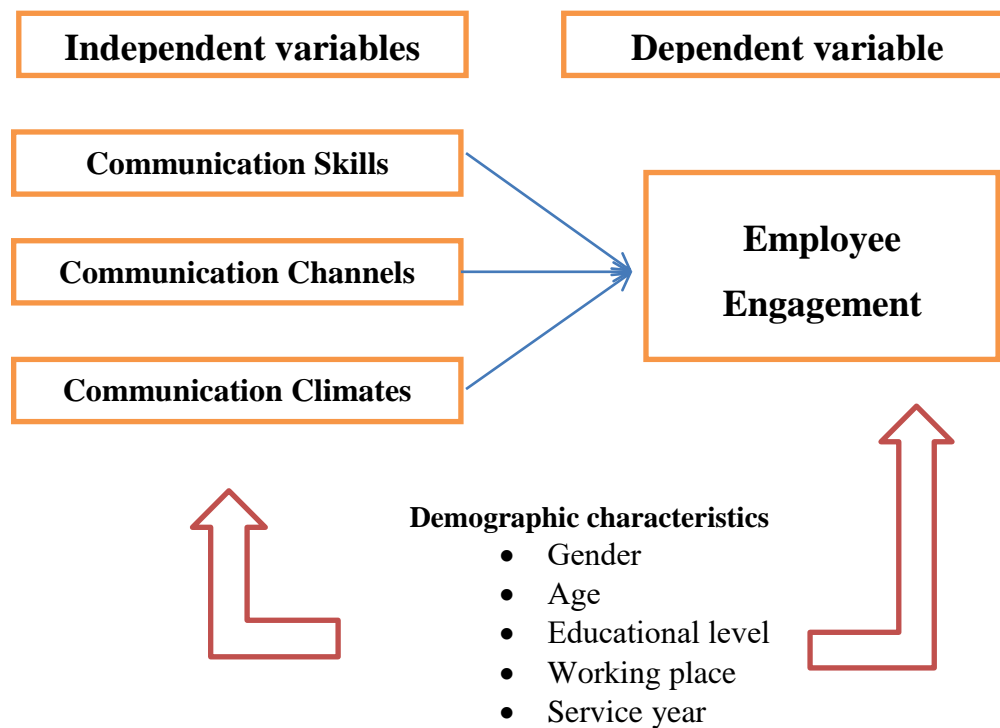
### **2.2.3. Ethiopian Studies**

Biruk (2019) studied on the effect of internal communication on the engagement of employees in Commercial Bank of Ethiopia. He stated that the importance of candor and information-sharing explained as "For any institution, the flow of information is similar to a central nervous system: the organization's effectiveness depends on it. An organization's ability to compete solves problems, innovate, meet challenges and achieve goals". He also found that any increase or decrease on the intensity of internal communication variables will have a proportional change on employees' engagement. Mekedes E., (2015) studied on the role of organizational communication on employee engagement in the case of Ethiopian Airlines. She indicated that there is a strong relationship between formal internal communication and employees' engagement from Ethiopian context.

### **2.3. Research Gap**

Different Researches conducted at different time interval in private and public sectors (Gorman, 2006; Harter, et al., 2002; Daly, 2002). They verified that employees' engagement is significantly related with numerous positive organizational outcomes. However; these researches were conducted without testing if there was a significant difference between internal communication and employees' engagement within demographic differences of age, experience, educational level, work place and etc.

## 2.4. Conceptual Framework



Adapted from Beauty (2013), Hayase (2009), Dennis (1974), Schaufeli and Bakker (2004).

**Figure 2.1 Conceptual Frame of the Study**

In this study, employees' engagement is characterized by vigor - employees' high level of energy and mental resilience; dedication - strongly involved in their work and practicing a feeling of importance and belongings; and absorption - lack of self-consciousness as employees are totally absorbed in their work (Schaufeli & Bakker, 2004).

Accordingly, effective internal communication to enhance employees' engagement included communication skills, communication channels and communication climates as independent variable and employee engagement as dependent variables. The study adapted employees' engagement in the way it is conceptualized by Schaufeli and Bakker (2004). Dimensions of internal communication model; Communication Channels (Hayase, 2009) includes official letters, mobile phones, e-mails, notice boards, staff meetings, intranet and company television or videos; Communication skill (Beauty, 2013) - clarification of mission and vision, clarification of

policies, convincing employees by managers, observing employees by managers, constructive feedback by managers and employees, active listening and showing concerns by managers. The third dimension is communication climate (Dennis, 1974) which includes superior - subordinate communication, opportunity to upward communication, supervisor openness/ candor, quality of information and reliability of information.

In addition, this conceptual framework shows that the study focused on the role of demographic characteristics such as gender, age, educational level, working place and service year in between internal communication and employees' engagement. Dolphin (2005) stated that contemporary organizations become more focused on retaining a happy workforce with changing values and different demographics; they necessarily have to think more seriously about how they communicate with employees.

## **2.5. Research Hypothesis**

Based on the literatures discussed above, organizations could utilize internal communication to improve employee engagement (Hayase, 2009, Jessica, 2013 & Mbhele, 2016, et al). Accordingly; each internal communication constructs are discussed in relation to engagement.

### **2.5.1. Communication Skill**

Poor listening skills to top management has a great consequences to employees, customers, lenders, management themselves and organization as whole. Above all; it causes poor relationship among employees who are the main stakeholder of the organization and leads to loss of team work, difficult to express or share ideas values and opinions that resulted to under performance (Beauty, 2013). Sotco (2015) added that on an individual basis poor listening tends to hurt feelings and loss of team cohesion, as a result people loose trust and interfere communication even further. Communication skills is a key to success and if an organization lacks, the company is about to die because it will be difficult to translate the corporate objective into organization and departmental plans this causes failure of the organization to achieve the targeted objective (Christine (2004). Inadequate communication skills to management; cost employees in terms of time, low morale and loss of trust to their leaders (Beauty, 2013).

- **Hypothesis 1: There is a significant positive relationship between communication skill and employees' engagement.**

### **2.5.2. Communication Channels**

Understanding the importance of communicating with employees is essential for developing effective communication channels. Hayase (2009, p. 22) Communication channels can be divided into three categories: advanced communication and information technologies (ACIT), traditional media, and face-to-face communication. According to Hayase, ACITs includes email, internet, intranet, online chats, voicemail, cellular telephones, online databases, instant messaging, videoconferencing, pagers, and fax. Traditional media can include memos, newsletters, and organizational member handbooks. The appropriate communication channel is dependent upon the receiver and type of information being disseminated (Hayase, 2009). In this regard, Vora and Patra (2017) examined the various factors of internal communication and employee engagement; the data analysis indicates how organizations are investing more time and resources in internal communication tools and channels. And those organizations are encouraging employees to engage openly with one another, and also with the senior management. As per the data obtained from the respondents of this research, social media, internet, intranet, emails and instant messaging are emerging to be most practiced tools of internal communication, not only impacting organizational efficiency and a smooth communication flow, but also leading to higher productivity, motivation and a sense of loyalty and involvement among employees within organizations.

The research conducted in the United Arab Emirates and reported by the Middle East Journal of Business (2015) has shown that except the degree of employees engagement varies from channel to channel, there was no a debate or doubt raised about the contribution of channels. The findings of this research indicated that face to face communication contributed the most to employees' engagement. Another research also showed that channel satisfaction and channel combinations are linked to employees' engagement (Hayase, 2009). These results infer that when an organization utilizes the channels and employees are most satisfied with, they also experience higher levels of engagement.

- **Hypothesis 2: There is a significant positive relationship between communication channels and employees' engagement.**

### **2.5.3. Communication Climates**

It is very important for managers to know what their employees think; this helps them to develop trust with subordinates (Mirjana & Aleksandra, 2016). They also added superiors have an insight into the employees' problems, and on the basis of it they can make a proper decision and because the superiors talk directly with the employees; the employees feel appreciated.

When business in an organization continues in flux and/or communication is thought to be limited, employees can demonstrate frustrations and gaps with their supervisors can be exhibited. Employees should feel that their opinions are valuable so as to build morale, to strengthen upward communication, and ultimately to enhance business. Leaders in organizations have to develop trust and encourage upward communications among the employees in order to identify strengths and to correct weaknesses (Downs & Adrian, 2004).

When employees do not trust their superiors, downward feedback has no effect on the employees' performance, which causes inertia and lack of growth on all levels (Garnett, Marlowe & Pandey, 2008). Studies show that if leaders build an environment of psychological safety, employees will have a tendency to speak up and being better performers (Detert & Burris, 2007). Another study also shows that when organizations have a better understanding about the positive effects of upward communication, they will be in a better position in having strong employees' engagement (Feliciano, 2016).

If people are reluctant to disclose their feelings or opinions for fear of retaliation or because they believe someone will betray their confidence, then the flow of important information is constrained and it deprives job satisfaction (Akbar & Haider, 2012). Having the above studies in mind, motivating employees to communicate upward will result a remarkable improvements in employees' engagement so as to bring about a better organizational performances.

A study conducted by Mbhele (2016) assured that the more employees perceive supervisor openness, the more they would feel engaged. From this point of view enhancing a culture of candor might be very important for increasing the number of productive employees.

Karanges (2014) explained quality of communication as the extent to which information is perceived to be timely, accurate, adequate, and complete. The management can bring employees' engagement to organizations by improving the quality of communication (Mbhele, 2016).

Generally speaking, the above studies (Mbhele, 2016; Mirjana & Aleksandra, 2016; Feliciano, 2016; Karanges, 2014; Detert & Burris, 2007; Downs & Adrian, 2004 et al) ensures that constructs of communication climate (Dennis, 1974); Quality of information – a perceived quality and accuracy of downward communication, reliability of information – reliable information received from subordinates and colleagues, superior-subordinate communication – the supportiveness from a superior which perceived by the subordinate, opportunity for upward communication - perception of upward communication opportunities, and candor – perceived openness and empathy of communication between superior and subordinate; have a significant positive effect on employees’ engagement.

- **Hypothesis 3: There is a significant positive relationship between communication climates and employees’ engagement.**

#### **2.5.4. Demographic Group**

Assessing demographic characteristics in relation to employees’ engagement provides knowledge of demographic trends within the work force (Buttner, Lowe & Billings-Harris, 2012). A research conducted by Kurti S., Dollani P. and Lubonja F., (2018), to assess whether employees’ demographic factors, such as gender, age, and years of work experience have an impact on employees’ perceptions of effective communication in an organization. The result showed that there is a significant different on the effectiveness of internal communication with the difference of demographic groups. The research also added that before selecting means of effective communication, managers should pay attention to demographic factors.

Another study conducted on an academic library personnel in south west Nigera, revealed that the level of education and cultural beliefs of the library personnel plays a significant role in their information sharing pattern (Abiola S. & Abraham O., 2013).

The above researches imply that as there is a significant effect on the effectiveness of internal communication with different demographic factors, the level of employees’ engagement varies accordingly. This assumption is supported by Dolphin (2005), engagement is different across various demographic characteristics of employees. Thus, it is assumed that there is a difference between internal communication and engagement of employees with a difference of gender, age, educational level, working place and service year.

**Hypothesis 4 :** There is a significant difference between internal communication and engagement of employees with different gender, age, educational level, working place and service year

# **CHAPTER THREE**

## **RESEARCH METHODOLOGY**

This chapter discusses about the research approach and the design, the sampling design and its procedures, instruments used to collect the sample data and the ethical consideration followed. The aim of the chapter is to show that this study conducted in a logical and systematic way to answer the research questions and finally to meet the research objectives. A mixed research approach and an explanatory research design applied; the study targeted the total number of 954 EEU employees working in Addis Ababa. Stratified sampling technique was deployed to obtain a representative sample size of 282 employees from each four organizational level by applying Slovin's sampling formula. The researcher used Google form to collect 80% of self-administrated questionnaires and the rest 20 % distributed and collected attending to the respondents' work site. The semi-structured interviews conducted with senior, middle level and junior managers via telephone line. Cronbach's alpha test was deployed to measure the reliability of the instrument and all variables were scored more than 0.75 which was considered to be adequate and approved the data collection instrument reliable. The quantitative data analysis was supported by software called Statistical Package for Social Science (SPSS), version 26.

### **3.1. Research Approach**

Choosing an appropriate research approach is like choosing corresponding key for opening a lock since the purpose is to find the truth (Grover, 2015). Different researchers may use different research approaches as per the problems need to be addressed and the questions need to be answered. The quantitative approach involves the generation of data in quantitative form which can be subjected to an intensive quantitative analysis, a formal and systematic measurement to show correlations between variables (Pallant, 2005).

This study collected and analyzed numerical data; concentrating on measuring the scale, range, frequency etc. of the phenomena. The study is highly detailed and structured and results could be easily collected and presented statistically. On the other hand, this study based on careful definition of the meaning of internal communication and employee engagement and its associated factors. It properly developed the concepts and variables of internal communication and engagement, and the plotting of interrelationships between these. HRM concepts such as

communication skills, channels, climates and others are real and detectable, even if they are difficult to record and measure. Generally, the study employed quantitative and qualitative methods and it can be said that it is a mixed research approach.

### **3.2. Research Design**

Cresswell (2009) defined a research design as plans and procedures of a research that span the decisions from broad assumptions to detailed methods of data collection and analysis. Based on the research purpose there are exploratory or formative research, descriptive or statistical research, explanatory research and experimental or analytical research designs (Inaam, 2016). The research design for this study is explanatory, as it is more appropriate to examine the relationship between the two variables (analysis of effect of independent variable on dependent variable), i.e., correlation between internal communication and employee engagement. Explanatory research targets on correlating factors and elements of the subject matter in to general statements and revising, building and testing a theory (Pallant, 2005).

Thus, this study examined the effect of internal communication on employees' engagement on EEU employees working in Addis Ababa. Because the research was conducted to test the factors affecting employees' engagement and to explain the relationships between the studies constructs, it employed mathematical models and theories pertaining to employee engagement.

Moreover, the study contributed to draw picture of internal communication situation in Ethiopia and employees' engagement that is the essential task of human resource managers. Furthermore, it described various aspects about communication skills, channels and climates, and employee engagement. Thus, this study appropriately employed descriptive study and explanatory research design.

### **3.3. Population and Sampling**

#### **3.3.1. Target Population of the Study**

This study investigated the effect of internal communication on employee's engagement in EEU by collecting employees' opinion through self-administered questionnaires and structured interviews. EEU's current organizational structure is: Head Office, Regional Offices, District Offices and Customer Service Centers. Even if the total number of employees in the company during this study was 22,855, this study targeted the total number of 954 employees working in Addis Ababa.

Since the four organizational levels mentioned above have their own responsibility and accountability; the study considered employees from each level to have a better picture about the Enterprise.

#### **3.3.2. Sampling Technique**

Accordingly, stratified sampling technique was deployed to obtain a representative sample from each organizational level; the Head Office, Regional Office (Addis Ababa City Administration Electric Utility), one District (West Addis Ababa District) and one Customer Service Center (Western Addis Ababa District Customer Service Center 4).

#### **3.3.3. Sampling Procedure**

Respondents of this research have been selected by simple random sampling technique after the proportional allocation of the total sample size for each stratum of the organizational level. Slovin's sampling formula works for simple random sampling (Ellen, 2018) and it has contributed significantly for the appropriate application of the sampling procedure in this study. The total target population and sample size has been discussed in detail below.

### 3.3.4. Sample Size

The Slovin's sampling formula has been deployed to determine the sample size for each stratum (Head Office, Regional offices, District Offices and customer service centers) as depicted as below:

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

Where,

- N = Total employees
- e = Error tolerance and
- n = number of sample

$$\text{Total sample size } n = \frac{954}{1+954(0.05^2)} = 282$$

$$\text{HO sample size} = \frac{n_{HO}}{N} \times n$$

$$\text{ACEU sample size} = \frac{n_{ACEU}}{N} \times n$$

$$\text{WAAD sample size} = \frac{n_{WAAD}}{N} \times n$$

$$\text{WAADCSC4 sample size} = \frac{n_{WAADCSC4}}{N} \times n$$

**Table 3.1 Sample population & sample size**

No.	Target Population	Population size	Sample size	Remark
1	Head Office (HO)	746	220	Piazza, Central Ethiopia
2	Addis Ababa City Administration Electric Utility (ACEU)	88	26	Eastern Addis Ababa
3	Western Addis Ababa District (WAAD)	71	21	Western Addis Ababa
4	Western Addis Ababa District Customer Service Center (WAAD CSC 3&4)	49	15	Western Addis Ababa
Total Target Population & sample Size		954	282	

*Own Computation, 2020*

### **3.4. Sources of Data Collection**

Secondary data sources have been used to identify EEU Organizational structure and population size at each organizational hierarchy, and to get aware about the employees' and customers' satisfaction. Furthermore, the researcher used secondary data such as relevant journal articles, books, similar research conducted previously, company newspapers and company profile to strengthen this research. The primary data sources (self-administered closed-ended questionnaires and semi-structured interviews) were applied; where self-administered questionnaires take the lion's part in this research by the following reasons.

### **3.5. Research Instrument**

Self-administered questionnaires used by different researchers as indicators for the presence or absence of the independent and dependent variables (internal communication & employee engagement) were selected as an instrument. Clarity of the questionnaires whether they consider the educational status of employees and organizational context was checked. Semi-structured interview guideline was adopted from other related articles using English language with some rewordings.

### **3.6. Method of Data Collection**

In order to attain the objectives of this research, it asked more effort to apply other methods for distributing and collecting self-administered questionnaires at three geographical location of Addis Ababa (Central, Eastern and Western Addis) due to the pandemic, COVID-19. And the researcher used Google form for 80% of self-administrated questionnaire whereas the semi-structured interviews conducted via telephone line.

### **3.7. Data Collection Procedures**

Employees who participated to online questionnaire (in Google form) have received questionnaires via E-mail and telegram. For the remaining 20 % participants, the researcher distributed and collected questionnaires with hard copy at the work site of the employees. The filled questionnaires collected with a hardcopy were checked for their completeness and accuracy by the researcher. The questionnaires collected with the help of a Google form were free from errors because of the application simplicity and restrictions not to miss any items. The

questionnaires were distributed based on the sample size taken and time schedule with a closer follow up for effective guidance and collection.

## **3.8. Validity and Reliability**

### **3.8.1. Validity**

Validity is concerned with the meaningfulness of research components and whether they are measuring what they are intended to measure (Ellen A., 2018). There are four types of major validity tests introduced by Ellen A., (2018): (1) statistical conclusion validity, (2) internal validity, (3) construct validity (further divided in to: face validity, content validity, concurrent and predictive validity, and convergent and discriminant validity) and (4) external validity.

As this research focuses on a causal relationship or constructs involved in the relationship, construct validity has been operationalized (Trochim, 2015). Therefore, validity test analysis of the instruments was performed through face validity and content validity using three experts in the study area. Data triangulation is part of the research tool to verify the similarities of the outcomes in the research. Advisor of this research and an experienced person on different research topics have given a significant contribution for the content validity. This study adapted the questionnaires from previous researchers and got adequate coverage of the topic under study.

### **3.8.2. Reliability**

Kothari (2004) has shown that the extent to which our measurement mechanisms and procedures generate constant results in a given population while in different circumstances. The difference in circumstances can be different administrative procedures and changes of sample takers over time. Accordingly, Cronbach's alpha test deployed to measure the internal consistency of the instruments so as to determine the reliability of the constructs used as a measurement tool in this study.

**Table 3.2 Reliability Test**

	Cronbach's Alpha	N of Items
Overall	.897	44
Communication Skills	.784	7
Communication Channel	.802	7
Communication Climates	.820	13
Employee Engagement	.860	17

Own computation, 2020

In this regard, values of 0.75 or greater were considered adequate and approved the data collection instrument is reliable. Hence, all variables were scored more than 0.75 Cronbach's Alpha test and it shows that they maintained internal consistency.

### **3.9. Methods of Data Analysis**

The quantitative data was analyzed by software called Statistical Package for Social Science (SPSS), version 26. Mean scores, standard deviations, percentages and frequency distribution were used to summarize the responses.

Furthermore, correlation analysis and multiple regression analysis were done to show the relationship between internal communication and employees' engagement of EEU, as it is suitable to analyze the relationship between dependent and independent variables. In addition, chi square was used to test the difference among demographic variables in the relationship between dependent and independent variables

## Model specification

The multiple linear regression model of the study was based on the theoretical regression model as indicated below:

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + e$$

Where:

Y=Employees' Engagement

a= the y intercept.

X<sub>1</sub> – Communication Skills

b<sub>1</sub>= the regression coefficient of Communication Skills

b<sub>2</sub> – Communication Channels

B<sub>2</sub>= the regression coefficient of Communication Channels

X<sub>3</sub> –Communication Climates

b<sub>3</sub>= the regression coefficient of Communication Climates

e= error term.

### 3.10. Ethical Consideration

The researcher followed the ethical considerations and procedures in advance (Kumar & Kandasamy, 2012) to conduct the study. Accordingly, the researcher informed the participants about the importance and purpose of the study during the data collection and the data interpretation process.

So, the questionnaires and interviews were completed namelessly by respondents and treated confidentially. This study intended for academic purpose only and the researcher didn't disclose and will not disclose any confidential information to other party.

## **CHAPTER FOUR**

### **DATA ANALYSIS AND PRESENTATION AND DISCUSSION**

This chapter aimed to show useful information obtained during the analysis of the data collected so as to give interpretations on the results aligning with the objectives of the study. In order to get the information as comprehensively as possible, the employees who participated in this study are from different educational background and work experiences. 254 questionnaires were properly collected from totally distributed 282 questionnaires with the help of Google form (80%) and with hard copies (20%). The large number of the respondents lied into second category of age distribution (36 to 50 years) and 54% of the respondents have 6 and above years of work experience. In terms of communication skill, the highest number of employees (69%) at least agreed with observing employees by managers whereas the least percentage of employees (51%) agreed demonstrating that there is active listening and showing concerns by managers and employees. The maximum number of employees (76%) showed that mobile phones are widely used as internal communication channels whereas the least used internal communication channel is demonstrated by 46% of respondents which is intranet. The highest number of respondents (77%) indicated that their supervisors make it easy to do their best work whereas only 45% demonstrated that people in the surveyed organization are encouraged to be really open with each other. Among the three dimensions of employees' engagement, Absorption has scored the lowest mean of 3.26, and Dedication has scored the highest mean of 3.764. The aggregate mean of employees' engagement has a score of 3.49.

#### **4.1. Response Rate**

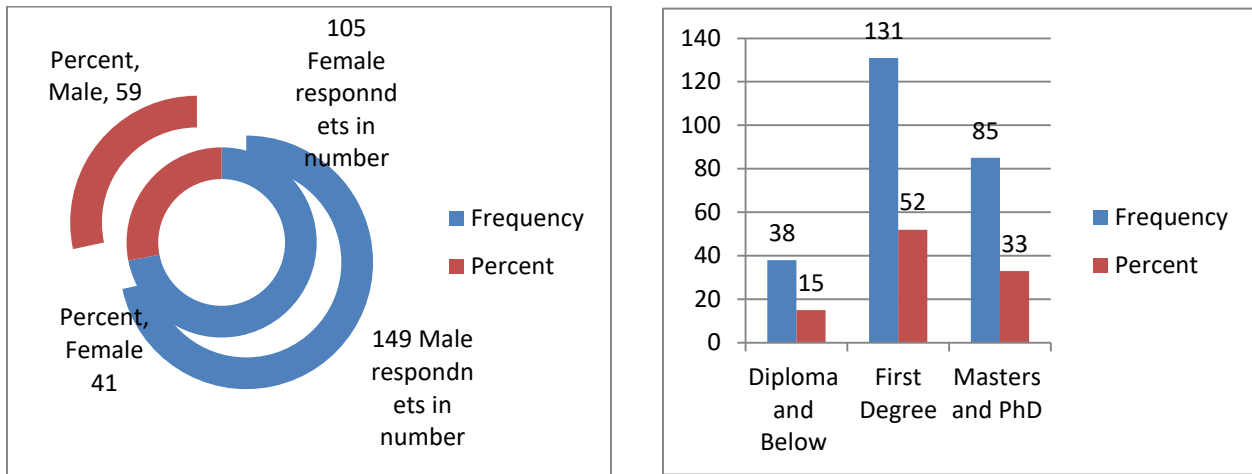
The study attended 90% of response rate as 254 questionnaires were properly collected from the total number of 282 distributed questionnaires among the targeted 954 total population. The study mainly used Google form to collect the majority of data without using paper print. Only 20% of the data collected using paper printed questionnaire. This study attended good reactions with respondents using Google technology due to Covid-19 struck and its consequence. In terms of gender distribution, 59 % of them are male and 41 % of them are female.

## 4.2. Respondents Profile

This part presented the respondents' profile about their education, gender, age, working place and service year in the surveyed organization.

### 4.2.1. Gender and Education Level of the Respondents

The data about respondents' gender distribution includes 254 respondents, whereas 59 % of them were male and 41 % of them were female as shown in the above figure. Even if majority of the respondents were male (149 out of 254 respondents), the gender distribution shows that both sex has been addressed.



*Own Computation, 2020*

**Figure 4.1 Respondent's gender**

Moreover, the second figure depicted that 15 % of the respondent's attained diploma and below. In addition, 52 % of the respondents have first degree whereas 33% of the respondents have second degree and above (Master's Degree & PhD). This shows that respondents have creditable educational background and able to respond the questions effectively provided by this study.

## 4.2.2. Respondents' Composition of Age

The data collected about the age composition of the respondents summarized in the following manner.

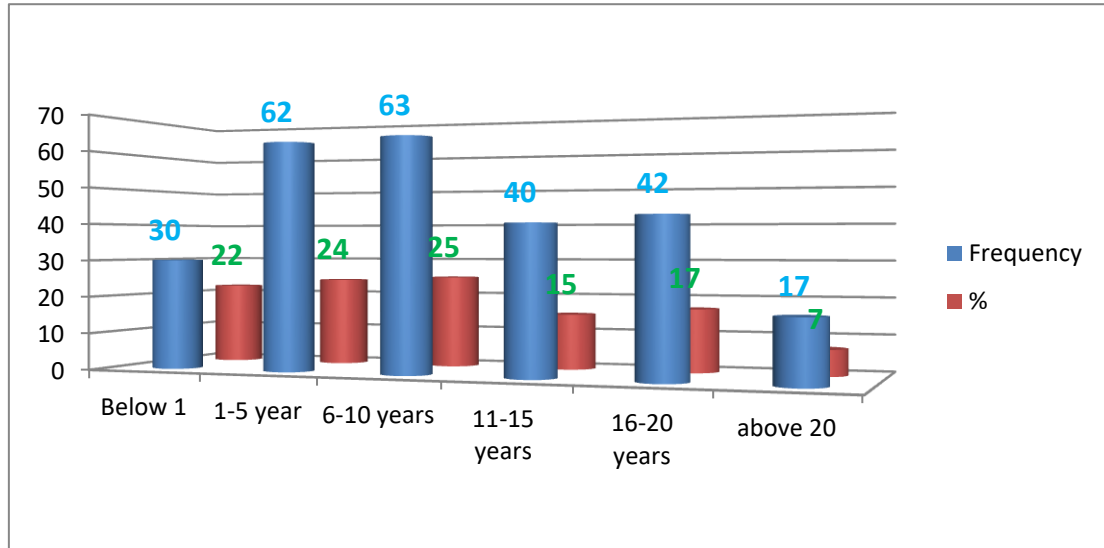
**Table 4.1 Respondent Age Composition**

Category	Sub category	Count	%	Count	%
Age below 35	Below 25	30	11.8	101	40
	26 to 30	14	5.5		
	31 to 35	57	22.4		
36 up to 50	36 to 40	49	19.3	105	41
	41 to 45	41	16.1		
	46 to 50	15	5.9		
Above 51	51 to 55	37	14.6	48	19
	above 55	11	4.3		
Total		254	100	254	100

*Own Computation, 2020*

The above table shows that age of the respondents ranged from below thirty five to above fifty one. This shows the respondents' age grouping was summarized based on their age interval (from three main categories). The large number of the respondents lied into second category of age distribution (36 to 50 years); it accounts 41% of the total respondents. While that of the respondents whose age ranged below 35 years were (40%) where as 19% of the respondents aged above 51. This shows that the study collected data from various age groups.

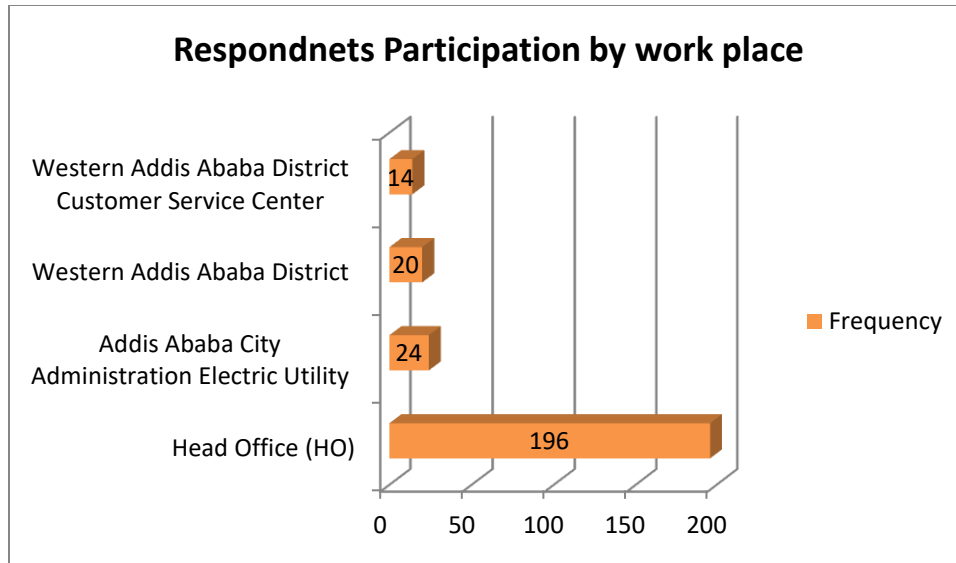
### 4.2.3. Respondents' Work Experience and Place



*Own Computation, 2020*

**Figure 4.2 Respondents' Working Experience**

The above table shows that 25% of the respondents worked for a period of (6-10) years, 24 % of them from (1-5) years, and 17% from 16 to 20 years. Others, 22% of the respondents indicate they worked for less than 1 year and 7 % of them worked more than 20 years. This implies the majority of the respondents have the knowledge and experience about the company's internal communication which could be trusted upon by this study.



*Own Computation, 2020*

**Figure 4.3 Respondents’ participation by work place**

The above figure displays that respondents profile by work place. In addition, the above table shows that most of the respondents (77%) have been working at head office and 6% in customer service area. The remaining respondents have been working in region and district offices. The percentage of the respondents against the total sample size of each organizational level by work place is more than 90%. Hence, this study provided evidence that the sample was taken from the population it was targeted.

### **4.3. Reponses Analysis**

Descriptive statistics include proportions (percentages) and means. Proportions basically show how many people fit into a category. The other type of descriptive statistics is based on group means (what is average, normal, or typical for that group). The normal curve is the idea that people’s attitudes, opinions, feelings, beliefs, and behaviours tend to centre around a central point (the mean). The central point would then be 3 on a 5-point scale. “3” in this case means agreement with the average opinion or view of statistics (Asif & Sargeant, 2000).

### 4.3.1. Communication Skills

In this study employees were requested to express their opinion about active listening and showing concerns by managers and employees, constructive feedback by managers and employees, clarification of mission and vision, clarification of policies, openness of managers and employees, observing employees by managers and convincing employees by managers.

**Table 4.2 Respondents’ Responses on Communication Skills (N=254)**

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	SD
	Count	%	Count	%	Count	%	Count	%	Count	%		
Active listening and showing concerns by managers and employees	40	16%	35	14%	49	19%	80	31%	50	20%	3.26	0.467
Constructive feedback by managers and employees	38	15%	55	22%	16	6%	92	36%	53	21%	3.26	0.571
Clarification of mission and vision	46	18%	45	18%	17	7%	81	32%	65	26%	3.29	0.569
Clarification of policies	32	13%	43	17%	7	3%	104	41%	68	27%	3.52	0.729
Openness of managers and employees	41	16%	53	21%	13	5%	67	26%	80	31%	3.36	0.624
Observing employees by managers	18	7%	48	19%	13	5%	92	36%	83	33%	3.69	0.746
Convincing employees by managers	23	9.1%	66	26%	9	4%	78	31%	78	31%	3.48	0.658
<b>Grand Mean</b>											<b>3.409</b>	<b>0.623</b>

*Own Computation, 2020*

The mean value of “3” and above shows agreement with the average opinion or view of statistics. Accordingly, most respondents believe communication skills (3.41 mean with less variation of spreading of data (.623 sd) are well enhanced in the organization. Above half of the respondents (51%) have at least agreed indicating there is an active listening and showing concerns by managers and employees. In addition, these surveyed employees (57%) have at least agreed indicating there is constructive feedback by managers and employees; and with same percentage of respondents agreed with openness of managers and employees. 58% of the respondents at least agreed with Clarification of mission and vision. Higher number of respondents have preferred to the category of at least agree demonstrating that clarification of

policies (68%). The highest number of employees (69%) at least agreed with observing employees by managers. Convincing employees by managers has gotten at least agreed response by 62% of the respondents.

The least percentage of employees (51%) agreed with the communication skill demonstrating that there is active listening and showing concerns by managers and employees. Whereas the highest number of respondents (69%) agreed with the communication skill of managers demonstrating that there is observation of employees by managers. As Beauty (2013) indicated effective use of communication skills at work place is very important; because it ensures the employees to get clear, concise and complete message that make it easy to perform their tasks effectively.

### 4.3.2. Communication Channel

In this study employees were asked about the surveyed organization’s communication channel including official letters, staff meetings, mobile phones, e-mails, notice boards and television or videos. The respondents showed their scale of satisfaction and the results are presented below.

**Table 4.3 Respondents’ Responses on communication channels (N=254)**

	Very Dissatisfied		Dissatisfied		Neutral		Satisfied		Very Satisfied		Mean	SD
	Count	%	Count	%	Count	%	Count	%	Count	%		
Official letters	22	9%	54	21%	6	2%	85	33%	87	34%	3.63	0.755
Staff meetings	27	11%	36	14%	4	2%	98	39%	89	35%	3.73	0.831
Mobile phones	25	10%	32	13%	3	1%	110	43%	84	33%	3.77	0.861
E-mails	45	18%	28	11%	4	2%	80	31%	97	38%	3.61	0.822
Notice boards	16	6%	69	27%	12	5%	92	36%	65	26%	3.48	0.640
Intranet	35	14%	88	35%	13	5%	66	26%	52	20%	3.05	0.445
Company television or videos	13	5%	79	31%	9	4%	82	32%	71	28%	3.47	0.636
Grand Mean											3.53	0.712

*Own Computation, 2020*

The above table shows that 67% of the respondents have at least satisfied with Official letters of the organization, 74% of the respondents showed that the organization has been communicating well with staff meetings, 76% of the respondents have at least satisfied indicating the organization has widely (which is the highest mean among all items; 3.77) used mobile phones

and less number of them (69%) satisfied with E-mails to be used as main communication channel. 62% of the respondents have at least satisfied demonstrating notice boards are used as communication channel in the company including company television or videos was preferred as communication channel in the company as indicated by 60% respondents.

The maximum number of employees (76%) showed that mobile phones are widely used as internal communication channels in the surveyed organization. The least used internal communication channel is demonstrated by 46% of respondents which is intranet.

### 4.3.3. Communication Climates

Employees were asked about communication and supervision conditions, understanding job problems and others in this study. The results are presented below.

**Table 4.4 Respondents' Responses on communication Climate (N=254)**

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	SD
	Count	%	Count	%	Count	%	Count	%	Count	%		
My superior makes me feel free to talk with him/her	25	10%	66	26%	7	3%	94	37%	62	24%	3.40	0.643
My superior really understands my job problems.	13	5%	49	19%	4	2%	102	40%	86	34%	3.78	0.827
My superior encourages me to let him/her know when things are going wrong on the job.	18	7%	45	18%	0	0%	96	38%	95	37%	3.81	0.868
My superior makes it easy to do my best work.	18	7%	40	16%	0	0%	101	40%	95	37%	3.85	0.891
I think that people in this organization say what they mean and mean what they say.	13	5%	49	19%	0	0%	87	34%	105	41%	3.87	0.908
People in top management say what they mean and mean what they say	22	9%	70	28%	8	3%	96	38%	58	23%	3.39	0.636
People in this organization are encouraged to be really open and candid with each other.	57	22%	68	27%	15	6%	75	30%	39	15%	2.89	0.414
People in this organization freely exchange information and opinions.	15	6%	75	30%	6	2%	84	33%	74	29%	3.50	0.667
My opinions make a difference in the day-to-day decisions that affect my job.	37	15%	57	22%	7	3%	96	38%	57	22%	3.31	0.629
I believe your views have real influence in my organization.	34	13%	48	19%	27	11%	99	39%	46	18%	3.30	0.579
I can expect that recommendations I make will be heard and seriously considered.	16	6%	64	25%	17	7%	109	43%	48	19%	3.43	0.668
I think that information received from management is reliable.	40	16%	64	25%	30	12%	79	31%	41	16%	3.07	0.425
I think that information received from your colleagues (co-workers) is reliable	37	15%	69	27%	25	10%	66	26%	57	22%	3.15	0.437
<b>Grand Mean</b>											<b>3.44</b>	<b>0.661</b>

*Own Computation, 2020*

The above table portrays that 61% of the respondents have at least agreed that their superior makes them feel free to talk with him/her. In addition, 74% indicated that their superior really understands their job problems. 75% of the respondents have at least agreed that their superior encourages them to let him/her know when things are going wrong on the job; and their superior makes it easy to do their best work (77%). Moreover, 75% of the respondents have at least thought that people mean in this organization say what they mean and mean what they say; and 61% of them stated that people mean in top management say what they mean and mean what they say. 62% of them preferred to the category of agree to indicate people in this organization freely exchange information and opinions. 60% of them can be able to express their opinions which make a difference in the day-to-day decisions that affect their job. They (57%) believe your views have real influence in their organization. 62% of them can expect that recommendations they make will be heard and seriously considered.

Grand mean for communication climate is 3.44 with less variation of spreading of data (.661) where the highest percent (77%) indicating that their supervisors make it easy to do their best work; whereas only 45% of respondents demonstrated that people in this organization are encouraged to be really open to each other.

#### 4.3.4. Employee Engagement

For this study, employees were asked to express their opinion about employee engagement in terms of vigor, dedication and absorption as dimensions to measure employees' engagement.

**Table 4.5 Respondents' Responses on Employees' Engagement (N=254)**

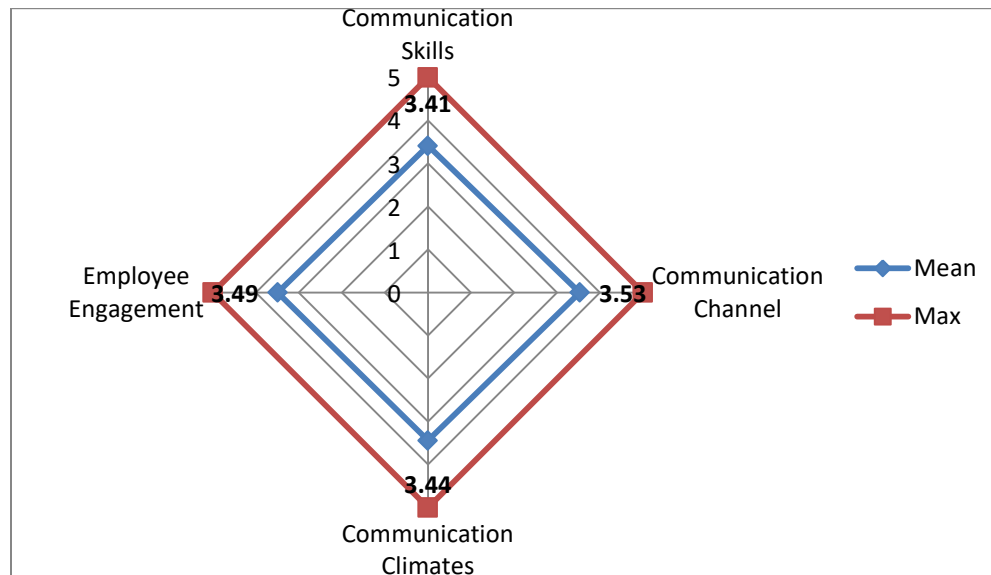
	Employee Engagement Items	Mean	Sd	Grand Mean	Max	Min
<b>Vigor</b>	I feel like going to work when I get up.	3.45	0.815	3.46	3.75	3.13
	At my work I feel bursting with energy.	3.45	0.815			
	I always persist, even when things do not go well.	3.13	1.060			
	Continue working very long periods at a time.	3.74	0.914			
	In doing my job, I am very resilient mentally.	3.25	1.051			
	In doing my job, I feel strong and vigorous.	3.75	0.760			
<b>Dedication</b>	My job is challenging	3.70	0.751	3.764	3.83	3.69
	My job inspires me.	3.78	0.729			
	I am enthusiastic about my job.	3.69	0.792			
	I am proud of the job that I do.	3.83	0.862			
	I find work I do full of meaning and purpose.	3.82	0.853			
<b>Absorption</b>	When I am working I forget everything else.	3.24	0.988	3.26	3.43	2.94
	Time flies when I am working.	2.94	1.285			
	I get carried away when I am working.	3.35	0.951			
	It is difficult to detach myself from my job.	3.26	0.915			
	I am immersed in my work.	3.34	0.941			
	I feel happy when I am working intensely.	3.43	0.806			

*Own computation, 2020*

Among the three dimensions, Absorption has scored the lowest mean of 3.26, and dedication has scored the highest mean of 3.764. The aggregate mean of employee engagement response is 3.494 which show that the level of employee engagement in Ethiopian Electric Utility is fairly good.

Absorption is characterized by employees who entirely focus on in their works; whereby time passes quickly and difficult to detach themselves from work (Schaufeli & Bakker, 2004). The above survey shows that the surveyed organization (EEU) has been incompetently practiced the basic characteristics of employees' engagement.

### 4.1.1 Grand Mean Computation



*Own computation, 2020*

**Figure 4.4 Grand Mean Results**

Factor contributing for higher mean value of communication skills are observing employees by managers and for communication channel have been mobile phones. The highest mean scored as (3.53) for communication channel, communication skills (3.41), for communication climates (3.44) and employee engagement scored as (3.49). It shows that the organization has been good at communication climate and relatively poor on communication skills.

### 4.3.5. Demographic Variables

**Table 4.6 Demographic variables – Gender**

	Gender	Low	Medium	High	Value	Df	Asymp. Sig. (2-sided)
Communication Channel	Male	26	31	92	5.471	4	.242
	Female	19	34	52			
Communication Skills	Male	31	41	77	5.120	4	.275
	Female	22	41	42			
Communication Climates	Male	18	51	80	12.276	4	.015
	Female	17	48	40			
Employee Engagement	Male	17	48	84	8.508	4	.075
	Female	12	50	43			

*Own Computation, 2020*

*Chi-Square* allows the user to decide whether there is statistically substantial correlation between two nominal variables. This test compares the observed and expected frequencies in each category to test whether all the categories contain the same proportion of values. Accordingly, the test statistic of this study requires the one labelled Pearson under the Chi-Square heading.

For these data the test statistic is  $X^2 = 5.471$  with 4 degrees of freedom; the P value (Asymp. Sig. (2-sided) column) is greater than .05, leading us to conclude that employees' communication skill is independent of gender. Looking at the percentages in the Cross-tabulation table, we see that female are more likely the same as male having communication skills. The same is true for communication channels and employee engagement as females are more likely engaged as male and used the same or similar communication channels like phones, intranet etc. However, for these data the test statistic is  $X^2 = 12.276$  with 4 degrees of freedom; the P value (Asymp. Sig. (2-sided) column) is less than .05 or (0.015), leading us to conclude that employees communication climates are not independent of gender.

**Table 4.7 Other Demographic variables Chi-Square Tests**

Demographic Variables	Variables	Value	Asymp. Sig. (2-sided)	Decision
Respondents age	Communication Skills	56.117	.001	Difference
	Communication Channel	54.698	.002	Difference
	Communication Climates	39.852	.068	
	Employee Engagement	74.129	.000	Difference
Education Level	Communication Skills	10.276	.246	
	Communication Channel	12.670	.124	
	Communication Climates	10.403	.238	
	Employee Engagement	16.639	.034	Difference
Working Experience	Communication Skills	16.213	.703	
	Communication Channel	23.939	.245	
	Communication Climates	34.951	.020	Difference
	Employee Engagement	28.844	.091	
Placement	Communication Skills	11.232	.509	
	Communication Channel	4.099	.982	
	Communication Climates	3.877	.986	
	Employee Engagement	12.911	.376	

*Own Computations, 2020*

The above table explains that chi square analysis is applied to find out the relationship existing between four demographic variables and how they think about communication and engagement. Most of the test analyses show that there are no differences among the three demographic variables. Chi-Square test values are higher than 0.05.

However, there are differences with respondent age that effective internal communication (skills and channels) to enhance employees’ engagement. Their Chi-Square test values are less than 0.05.

## 4.4. Correlation and Regression Analysis

### 4.4.1. Correlation Analysis

In this study, a simple bi-variant relationship analysis between the dependent and independent variables is briefly presented below.

**Table 4.8 Correlation Analysis, Pearson Correlation (N=254)**

Variables	Communication Skills	Communication Channel	Communication Climates	Employee Engagement
Communication Skills	1	.272**	.405**	<b>.671**</b>
Communication Channel	.272**	1	.257**	<b>.389**</b>
Communication Climates	.405**	.257**	1	<b>.401**</b>
Employee Engagement	.671**	.389**	.401**	<b>1</b>
Sig. (2-tailed)	.000	.000	.000	
N	254	254	254	254

\*\* . Correlation is significant at the 0.01 level (2-tailed).

*Own Computation, 2020*

Unlike the multiple regression analysis, simple correlation analysis attempts to quantify the direction of association between two variables. Thus, the above simple correlational and mean analysis gives an important insight to the simple relationship between the dependent and independent variables (positive and significant relationship (Sig. (2-tailed) .000 with correlation is significant at the 0.01 level (2-tailed)). Accordingly, communication skills (.671), communication channel (.389), and communication climates (.401), have a significant and positive association with employees' engagement.

## 4.4.2. Regression Analysis

### 4.4.2.1. Assumptions of Multiple Regression Mode Analysis

There are several assumptions that we need to check our data meet, so that our data analysis to be reliable and valid when running a Multiple Regression. The test result of the basic assumptions is found in Appendix III.

1. The relationship between the independent variable and dependent variable is linear. It can be characterized by a straight line and it was checked by producing scatterplots of the relationship between each of this study, independent variables and dependent variable.
2. Normality Test - normality was tested through histogram – it was checked to test the assumption that sample data are drawn from a normally-distributed population. The study found a histogram plot indicating normality of residuals. It found a bell-shaped distribution of the residuals in this study.
3. Linearity Test – the study checked the relationships between variables that are considered linear when they are consistent and directly proportional to each other. Violations of this assumption may result in the estimates obtained from the analysis, such as  $R^2$ , regression coefficients, standard errors, and statistical significance, being biased; therefore, not portraying the accurate or true population values.  
It was checked as maintaining linearity in this study; as the assumption was tested through the visual examination of residual plots (A residual scatterplot is a figure that depicts one axis for the standardized residuals ( $r_i$ ) and the other axis for the predicted values ( $y_i$ )).
4. Heteroscedacity Test Result- the Durbin-Watson statistic found 1.401 which was below 2 and it shows the variance of the residuals is constant and the values of the residuals are normally distributed. Regarding Heteroscedacity, the study used scatted plot and found positive results. It is able to construct a best fitting straight line to the scatter diagram points as indicated in appendix III. By using the least squares method (a procedure that minimizes the vertical deviations of plotted points surrounding a straight line), it is able to construct a best fitting straight line to the scatter diagram points as indicated above.
5. Multicollinearity test result - Collinearity Statistics shows that the VIF value of three

independent variables are between 1.111 and 1.240 which are less than 5 or 10 and no collinearity is observed on this data.

6. Run test of randomness - is a statistical test that is used to know the randomness in data. Run test of randomness is sometimes called the Geary test, and it is a nonparametric test. It is an alternative test to test autocorrelation in the data. Autocorrelation means that the data has correlation with its lagged value. To confirm whether or not the data has correlation with the lagged value, run test of randomness is applied. This study used independent t test and got a positive results as mean and variance are constant and the probability is independent.

In SPSS, the output probability value is used for making the decision of whether we are going to accept or reject the null hypothesis. If the probability value of the run test of randomness is greater than the predetermined significance value, then we will accept the null hypothesis. If the calculated probability value is less than the predetermined significance value, then we will reject the null hypothesis.

### Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The distribution of Communication Skills is the same across categories of Employee Engagement .	Independent-Samples Kruskal-Wallis Test	.000	Reject the null hypothesis.
2	The distribution of Communication Channel is the same across categories of Employee Engagement .	Independent-Samples Kruskal-Wallis Test	.000	Reject the null hypothesis.
3	The distribution of Communication Climates is the same across categories of Employee Engagement .	Independent-Samples Kruskal-Wallis Test	.000	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

*Own Computation, 2020*

**Figure 4.5 Result of Run Randomness test**

#### 4.4.2.2. Regression Test

The regression analysis was used to establish the relationship that exists between the research variables (dependent and independent). The independent variables are determinants of internal communications, while the dependent variable is engagement at the company. This regression analysis was conducted to know by how much the independent variable explains the dependent variable.

**Table 4.9 Regression Analysis**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.713 <sup>a</sup>	.509	.503	.537	1.401

a. Predictors: (Constant), Communication Climates , Communication Channel , Communication Skills

b. Dependent Variable: Employee Engagement

**ANOVA<sup>a</sup>**

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	74.584	3	24.861	86.240	.000 <sup>b</sup>
Residual	72.070	250	.288		
Total	146.654	253			

a. Dependent Variable: Employees' Engagement

b. Predictors: Constant, Communication Climates , Communication Channel , Communication Skills

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.896	.185		4.833	.000
Communication Skills	.468	.041	.568	11.499	.000
Communication Channel	.168	.039	.204	4.375	.000
Communication Climates	.114	.047	.119	2.415	.016

*Own Computation, 2020*

In this research, the regression analysis used the independent variable (3 factors) indicated on the model to measure the engagement. The significance level of 0.05 was used with 95% confidence interval. The reason for using single analysis was to examine the direct effect of the independent variables on the perceived employee engagement.

As indicated in the above table the independent variables predict the dependent variable R square = 50.9 % with adjusted R square 50.3 %. The remaining less than 50% are other extraneous variables that can affect engagement. This result also indicates that the variable selected as independent had an effect on employee engagement. The coefficient of determinant r square indicates that 50.9% of the variation in the employees' engagement is explained by determinants of internal communication factors. The study further conducted an Analysis of Variance to check the significance of the Model.

The ANOVA result for regression result coefficient indicates that the model is significant with 95% of level of confidence as the p-value is 0.000 which is less than 0.05. This shows that the model was highly significant in explaining the relationship that exists between the study variables communication skills, communication channels and communication climates with employee engagement. Hence, it implies a good fit for the model since it shows a significant effect on employee engagement.

In this study, the hypothesis testing has been deployed to investigate the significant influence of communication skills, communication channels and communication climates with employee engagement. According to the above Table 4.9, the p-value for the three communication factors (skills, channels and climates) are less than 0.05 which is statistically significant at ( $p < 0.05$ ). This implies that there is a significant effect of communication skills (.0001), channels (.0001) and climates (.016) on employees' engagement which shows a strong support for all hypotheses.

From the previous studies point of view; Sotco (2015) and Beauty (2013) indicated that communication skill has a significant and positive influence on engagement of employees. Vora and Patra (2017) also examined the various factors of internal communication and they found that they have encouraging effects on employees' engagement. In relation to communication channel, the Middle East Journal of Business (2015) has shown that except the degree of employees' engagement, communication channels have a positive contribution to it. Another research conducted by Feliciano (2016) supported the significance of managing an internal

communication climate in having strong engagement of employees. Generally speaking; the results of the above correlational and regression analysis also have been supported by researchers like: Mbhele, Mirjana and Aleksandra (2016); Detert and Burris (2007); with same factors and different environment.

## 4.5. Qualitative Study Analysis

The qualitative study intends to supplement the quantitative study. Therefore, from the beginning the interview questions were mapped to the questionnaires in a way that can enrich the data collected through self-administered questionnaires. For the simplicity of discussing the interview's results, the questions were grouped in to four thematic areas: the relationship between internal communication and employees' engagement; the practices of communication climates and how it affects employees' engagement; the effectiveness of communication channels to enhance employees' engagement; and the considerations of communications skills to enhance employees' engagement.

As it has been discussed in the methodology Chapter, interview sessions were conducted with managers from each organizational hierarchy and level of management: senior, middle and junior managers.

The first interview conducted was about the relationship between internal communication and employees' engagement. Here the interviewer elaborated the operational definitions of internal communication and employees' engagement from the context of the research objective.

The managers responded that internal communication has a significant relationship with employees' engagement. However; they are not sure about the degree of effect internal communication has on the employees' engagement. They also added that there are no recent surveys conducted in order to give recognition to the essence of communication skills, channels and climates from the point of employees' engagement. The interviewees expect that if more effort is exerted on internal communication, it would contribute to the enhancement of employees' engagement. Accordingly, the managers have a belief in that there is a relationship between internal communication and employees' engagement even though the degree of the relationship has not been defined.

The second thematic point is about the practices of communication climate and how it affects employees' engagement. The interviewer explicitly raised the five variables of the internal communication climate to the managers and discussed in detail. And they pointed out as there is a good practice of superior-subordinate relationship with an open communications. The value and the reliability of information shared to the employees believed to be significant. But a

manager from the junior level responded that lack of timely and reliable information due to a delay of official information from senior management might rarely deprive the communication climate. In terms of upward communication; all the managers agree that there is no restriction of employees to communicate up ward with their supervisors or managers. During the interview session; they assured that the opportunity of employees to communicate up ward is not limited directly to their supervisors and managers; they can also communicate up to the senior managers and through Employees' Relation Office and the Labor Union Representatives.

The way that internal communication climate affects employees' engagement is expressed by the managers as the delay and unofficial information increases among the employees of the firm. Two managers explained this point with some of their observations; when organizational changes are in process and some reward packages are done, there is a gap of timely official communication due to different reasons. Because of this, informal communication increases among the employees. Due to this reason, most employees are irritated by these phenomena which adversely affect employees' engagement.

The third thematic area is about the effectiveness of communication channels to enhance employees' engagement. The interviewees replied that there is an encouraging improvement in using intranets and E-mails but more has to be done. Official letters (Letters and internal memorandums), mobile phones, notice boards are widely practiced in the Organization; however, official letters are not fast reaching due to long distance among the offices. The managers agree on the point that communication channels are not significantly contributing in enhancing employees' engagement.

The researcher interviewed the managers about the consideration of communications skills which are constructive feedbacks, active listening and showing concerns by managers and employees, as well as observing and convincing skills of managers to enhance employees' engagement.

The interviewees commonly agree on some limitations in giving constructive feedbacks rather it has a tendency of focusing on weakness and complains. Literally, they believe in constructive feedbacks for a better result and positive relationship between managers/supervisors and

employees. Even though these managers spend most of their time on the daily operational activities, they used to listen employees even they don't have enough time to respond on.

The response of the managers varies on the question raised about the convincing skills they have. Some of them said that they don't wait until their employees are convinced to carry out their tasks; because they believe that the employees are accountable for their poor performances. One of the interviewee responded as she tries to convince her employees understanding their individual work behavior. She also added that convincing employees might not be every time task but it is required to do when especial issues are encountered.

The interviewees responded that there are encouraging efforts to familiarize the missions, visions and policies of EEU with the support of different communication channels. They added that more has to be done to have a clear organizational missions and visions.

## **4.6. Research Hypothesis Testing**

**Hypothesis 1: There is a significant positive relationship between communication skill and employees' engagement.**

The correlation analysis is used to see if communication skill has relationship with employees' engagement; and it has a significant relationship with employees' engagement ( $r=0.671$ ; sig, 0.0001); and to make sure that it actually influence the employees' engagement (Sig, 0.0001), multiple regression analysis has been conducted. And the result of the regression analysis shows that it has positive and significant effect on employees' engagement; therefore, the stated alternative hypothesis is accepted.

The finding agrees with results of previous researches conducted in the same area. Poor communication skill leads to loss of team work, difficult to express or share ideas values and opinions that resulted to under performance (Beauty, 2013). Sotco (2015) stated that skills which lead to assumptions and misunderstanding of the intended messages resulting to errors, poor decisions and cost mistakes. Communication skills is a key to success and if an organization lacks, the company is about to die (Christine, 2004).

**Hypothesis 2: There is a significant positive relationship between communication channels and employees' engagement.**

The correlation analysis is used to see if communication channel has relationship with employees' engagement; and it shows that there is a significant relationship with employees' engagement ( $r=0.389$ ; sig, 0.0001 ); and to make sure that it actually influence the employees' engagement (Sig, 0.0001), multiple regression analysis has been conducted. And the result of the regression analysis shows that it has positive and significant effect on employees' engagement. Therefore, the stated alternative hypothesis is accepted. The finding agrees with results of previous researches conducted in the same area. Vora & Patra (2017) indicated how organizations are investing more time and resources in internal communication tools and channels. Hayase (2009) found that communication channels enhance engagement levels, and satisfaction of communication channels were related to engagement of employees.

**Hypothesis 3: There is a significant positive relationship between communication climates and employees' engagement.**

The correlation analysis is used to see if communication climates has relationship with employees' engagement; and it has a significant relationship with employees' engagement ( $r=0.401$ ; sig, 0.0001). And to make sure that it actually influence the employees' engagement (Sig, 0.016), multiple regression analysis has been conducted. The result of the regression analysis shows that it has positive and significant effect on employees' engagement; therefore, the stated alternative hypothesis is accepted.

The finding agrees with results of previous researches conducted in the same area. There is a positive relationship between communication climates (superior-subordinate communication, opportunities for upward communication, quality of information, superior openness/candor, and reliability of information) and employees' engagement (Mbhele, 2016; Feliciano, 2016; Hayase, 2009, et al).

**Table 4.11 Summary of Hypothesis Findings**

Hypothesis	Significance	Descriptions
Hypothesis 1: There is significant positive correlation between communication skill and employees' engagement.	.0001	Accepted
Hypothesis 2: There is significant positive correlation between communication channels and employees' engagement.	.0001	Accepted
Hypothesis 3: There is significant positive correlation between communication climate and employees' engagement.	.016	Accepted

*Own Computation, 2020*

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

This part of the study presented the major findings, conclusion of the research and recommendations. The chapter mainly aimed to show the findings of the research aligning with the general and specific objectives of the study so as to recommend actions to enhance effective internal communication in EEU. The significant relationship between internal communication and employees' engagement has been discussed including the effect level of each three communication variables on employees' engagement. The relationship between internal communication and employees' engagement within different demography has been discussed briefly. This chapter also has given a conclusion about that communication has the effect of engagement of the employees in EEU. General and specific recommendations have been presented with future research areas those should get attention regarding to the same topic.

#### **Summary of Major Findings**

This study generally aimed to investigate the effect of internal communication on employees' engagement in Ethiopian Electric Utility (EEU). Accordingly, this study shows that there is a significant and positive relationship between internal communication (skill .671, channel .389 and climate .401) and employees' engagement. The Model goodness of fit in the regression analysis ( $R^2 = .509$ ) indicates that internal communication is able to predict employees' engagement by 50.9 percent. The remaining or less than 50 percent accounts other variables which are not addressed in this research. The aggregate mean of employee engagement is 3.49 which is above the mean (3), and fairly good in EEU.

The first specific objective of this study was aimed to find out the effect level of communication skills have on employees' engagement. The data analysis indicated that communication skills scored the highest beta (.568). This is to mean that a single unit increase in communication skills, there would be a 0.568 or 56.8 % increase in the level of employees' engagement. This effect is the most significant and has a positive correlation (.671) on employees' engagement.

The second specific objective is to examine the level of effect, communication channels have on employees' engagement. The beta coefficient of .204 indicates, there is 0.204 or 20.4 % change on employees' engagement with a unit change in communication channels. The correlation was significant and positive at a mean (.389).

The effect of communication climate on employees' engagement is the weakest with beta coefficient (.119) compared to the above internal communication variables. In other words, the variable which contributes the least to employees' engagement is communication climate. However, communication climate has a positive and significant relationship with employees' engagement.

Using explanatory and descriptive research design, this study found that most of communication channels have been relatively well implemented in the study organization with the highest mean (3.53). Communication climates have been found better (3.44) than communication skills with the lowest mean (3.41).

Relatively poor listening and low constructive feedback by managers are observed in terms of communication skill. Intranet has been inadequately implemented when compared to other communication channels in the company. Among the three dimensions of engagement, absorption has scored the lowest mean of 3.26. It shows most of the employees addressed in this survey were having less work time and easily detach themselves from their work and not fully immersed in their work.

On the other hand, this study aimed to test if there is a significant difference among internal communications and engagement of employees with different demography. The study shows that employees' communication skills are independent of gender using Chi-Square test. In addition, females are more likely engaged as male and they used similar communication channels like phones, internet etc. However, there is a difference of engagement between female and male in terms of communication climates, in addition to different age groups. In addition, there are differences with respondent age in terms of internal communication skill and channels to enhance employees' engagement.

## **5.1. Conclusion**

Human resource is a key resource that every organization's success or failure is largely dependent upon. The communication skill of leaders and supervisors together with well implemented communication channels significantly contributes to an effective internal communication. Though communication skill is the key driver for effective communication, it has paid the least attention in the case of EEU.

This study indicated that internal communication plays a crucial role for boosting employees' engagement considering other variables constant.

Communication covers a range of both tangible and intangible ways to share information. It is very essential for smooth running of the organization and also an influencing factor to motivate the employees. Thus, this study has given empirical evidence that communication skills, channels and climates are very vital to enhance employees' engagement. Accordingly, communication has the effect of engagement of the employees. Without proper communication, employee engagement is far away.

The demographic diversity of employees has not paid the appropriate attention for the roles it has in relation to internal communication variables. This study has given a hint to consider the age, experience and gender in enlisting communication and HR strategies as well as nurturing internal communication variables so as to enhance employees' engagement.

## **5.2. Limitations**

This study was limited to employees working in Addis Ababa; and employees of EEU working to other states of Ethiopia have not been addressed. Hence, it would be difficult to generalize the effect of internal communication on employees' engagement at organizational level. Additionally, this study addressed only employees not in managerial positions, and it could not be thought the whole employees working in Addis.

## **5.3. Recommendations**

### **5.3.1. General Recommendations**

- As employees' engagement is very sensitive to internal communication, EEU managers should design and implement internal communication strategy to boost employees' engagement.
- Since the common communication problem in organizations is basically a failure to communicate, the first step in achieving good employee communication, effective communication training should be given frequently and proactively with practical implications and other methods such as demos, out of office practices, etc.

### **5.3.2. Specific Recommendations**

- EEU should develop benchmarks to improve the communication skills, and then it can ensure good relationship among employees and increased employee participation level in the work culture which contributes to high employee engagement level.
- Managers has to initiate the lead, line managers and supervisors are responsible for sharing information in both directions as well as acting on issuing instructions along with labor union officials to ensure successful employee communication.
- In order for EEU employees to become engaged, managers and supervisors should support in developing employees' strong belief through timely and open communications with positive reactions.
- EEU should give significant attention to demographic variables (employees' age, education, experience, etc.) so as to enrich communication climate, channels and skills accordingly.

### **5.3.3. Implications for Future Studies**

Three factors/dimensions of internal communication and the five demographic variables have been addressed in this study. However; future researches regarding the relationship between internal communication and employees' engagement; additional dimensions of internal communications (communication strategy, individual behavior, etc.) can be broadly investigated to give a depth insight that may have an effect on employees' engagement.

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# Appendix I

## Annex I - Questionnaire

**ADDIS ABABA UNIVERSITY**

**SCHOOL OF COMMERCE**

*Employee Survey*

*(To be filled by Employees)*

Dear Respondent,

The main purpose of this questionnaire is to gather data for a research purpose entitled “The Effect of Internal Communication on Employees’ Engagement”. The information obtained from you will help to recommend possible solutions for the identified problems. To obtain valuable information for the research, your open and real response is much appreciated. And I would like to assure you that your response to the questionnaire would be kept 100% confidential and it has no intention except for academic purpose.

I would like to express my gratitude in advance for your willingness by sharing your most precious time to give prompt responses in filling this academic use questionnaire. For any clarification, you can contact me via my e-mail address: [tesfayeteferatefera2@gmail.com](mailto:tesfayeteferatefera2@gmail.com) or my phone number: 0934177777.

**Tesfaye Tefera**

**Thank you in advance for your cooperation!**

## Part I - Respondents Demographic Data

Instruction: Please indicate with "√" in the box corresponding to your choice that represents you.

1) Gender

Female                      Male   

2) Age group

Below 25        26 to 30        31 to 35        36 to 40   

41 to 45        46 to 50        51 to 55        above 55   

3) Education level

Diploma and Below        First Degree        Masters and PhD   

4) Work experience in EEU

Below 1year        1-5 years        6-10 years        11-15 years   

16-20years        above 20 years   

5) Current Place of Assignment

Head Office        Region Office        District Office        Customer Service Center   

6) Job Title

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## Part II – Respondents’ Opinion about Communication

Please indicate with "√" which are practicable in EEU in promoting effective communication skill, 1 for strongly disagree, 2 for disagree, 3 for neutral, 4 for agree and finally 5 for strongly agree. And Please rate your satisfaction with the communication channels EEU uses by placing a "√" under your answer choice 1 for Very Dissatisfied, 2 for Dissatisfied, 3 Neutral, 4 Satisfied and 5 for Very Satisfied

Variable	Coding	Measurements – sub variables	1	2	3	4	5
<b>Communication skills</b>	CS1	Active listening and showing concerns by managers and employees					
	CS2	Constructive feedback by managers and employees					
	CS3	Clarification of mission and vision					
	CS4	Clarification of policies					
	CS5	Openness of managers and employees					
	CS6	Observing employees by managers					
	CS7	Convincing employees by managers					
<b>Communication Channels</b>	CCH1	Official letters					
	CCH2	Staff meetings					
	CCH3	Mobile phones					
	CCH4	E-mails					
	CCH5	Notice boards					
	CCH6	Intranet					
	CCH7	Company television or videos					

Please read each statement and indicate your choice with a "√" which describes your communication experiences within EEU. 1 for strongly disagree, 2 for disagree, 3 for neutral, 4 for agree and finally 5 for strongly agree.

Variable	Coding	Measurements – sub variables	1	2	3	4	5
Supervisor to Subordinate Relationship	CC1	My superior makes me feel free to talk with him/her.					
	CC2	My superior really understands my job problems					
	CC3	My superior encourages me to let him/her know when things are going wrong on the job.					
	CC4	My superior makes it easy to do my best work.					
Quality Of Information	CC5	I think that people in this organization say what they mean and mean what they say.					
	CC6	People in top management say what they mean and mean what they say.					
	CC7	People in this organization are encouraged to be really open with each other.					
	CC8	People in this organization freely exchange information and opinions.					
Upward Communication	CC9	My opinions make a difference in the day-to-day decisions that affect my job.					
	CC10	I believe my views have real influence in my organization.					
	CC11	I can expect that recommendations I make will be heard and seriously considered.					
Reliable information	CC12	I think that information received from management is reliable.					
	CC13	I think that information received from my colleagues (coworkers) is reliable.					

## Part II – Respondents’ Opinion about engagement

Please read each statement and indicate your choice with a "√" which describes your engagement experiences within EEU and 1 for strongly disagree, 2 for disagree, 3 for neutral, 4 for agree and finally 5 for strongly agree.

Variable	Coding	Measurements – sub variables	1	2	3	4	5
<b>Vigor</b>	EE1	When I get up in the morning, I feel like going to work.					
	EE2	At work I feel bursting with energy.					
	EE3	At work I always persevere, even when things do not go well.					
	EE4	I can continue working for very long periods at a time.					
	EE5	In doing my job, I am very resilient mentally.					
	EE6	In doing my job, I feel strong and vigorous.					
<b>Dedication</b>	EE7	To me, my job is challenging.					
	EE8	My job inspires me					
	EE9	I am enthusiastic about my job.					
	EE10	I am proud of the job that I do.					
	EE11	I find work I do full of meaning and purpose.					
<b>Absorption</b>	EE12	When I am working, I forget everything else around me.					
	EE13	Time flies when I am working.					
	EE14	I get carried away when I am working.					
	EE15	It is difficult to detach myself from my job.					
	EE16	I am immersed in my work.					
	EE17	I feel happy when I am working intensely.					

**I Thank you!!!**

## **Annex 2 - Interview Check list**

Dear Sir/Madam,

I am Tesfaye Tefera. I am conducting an academic research on the Effect of Internal Communication on Employees' Engagement in your organization. I really appreciate for spending your valuable time and provide responses to the following check lists. It will not take much of your time. Shall I proceed with my questions?

**Thank you in advance for your permission!**

1. Do you think internal communication and employees' engagement are related at your organization?

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2. Would you please explain the practices of communication climates in your organization? How it affects employees' engagement?

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3. Do you think communication channels are effectively applied in your communication and it enhances employees' engagement?

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4. Do you think communication skills are being enhanced and considered as enhancing employees' engagement in your organizations?

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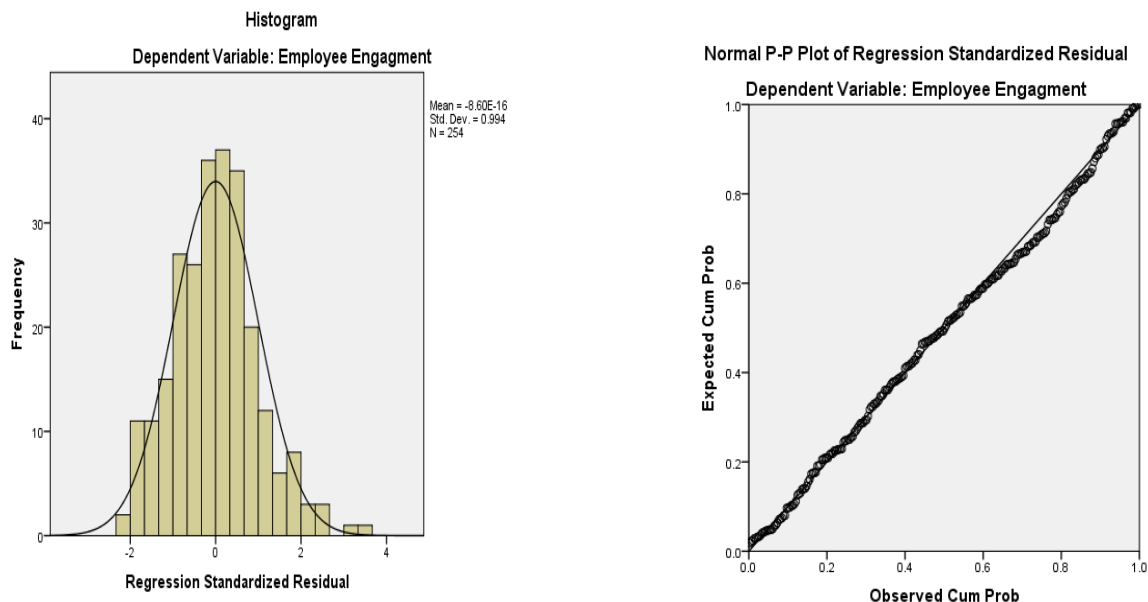
**Thank you!**

## Appendix II

### Annex 1 - Assumptions of Multiple Regression Mode Analysis

There are several assumptions that we need to check our data meet, in order for our analysis to be reliable and valid when running a multiple regression. It is important to make sure that any violations of the assumptions when writing up the results of the multiple regression analysis should fulfill the following assumptions. In this case, **assumptions include** the relationship between the independent and dependent variables is linear, having no Multi-collinearity in the data, found independent residuals; this can be done via The Durbin-Watson statistic, the variance of the residuals is constant and the values of the residuals are normally distributed.

#### I. Normality Test and Linearity Test



*Survey result, 2020*

**Appendix II Figure 1 Histogram and Normal P-P Plot**

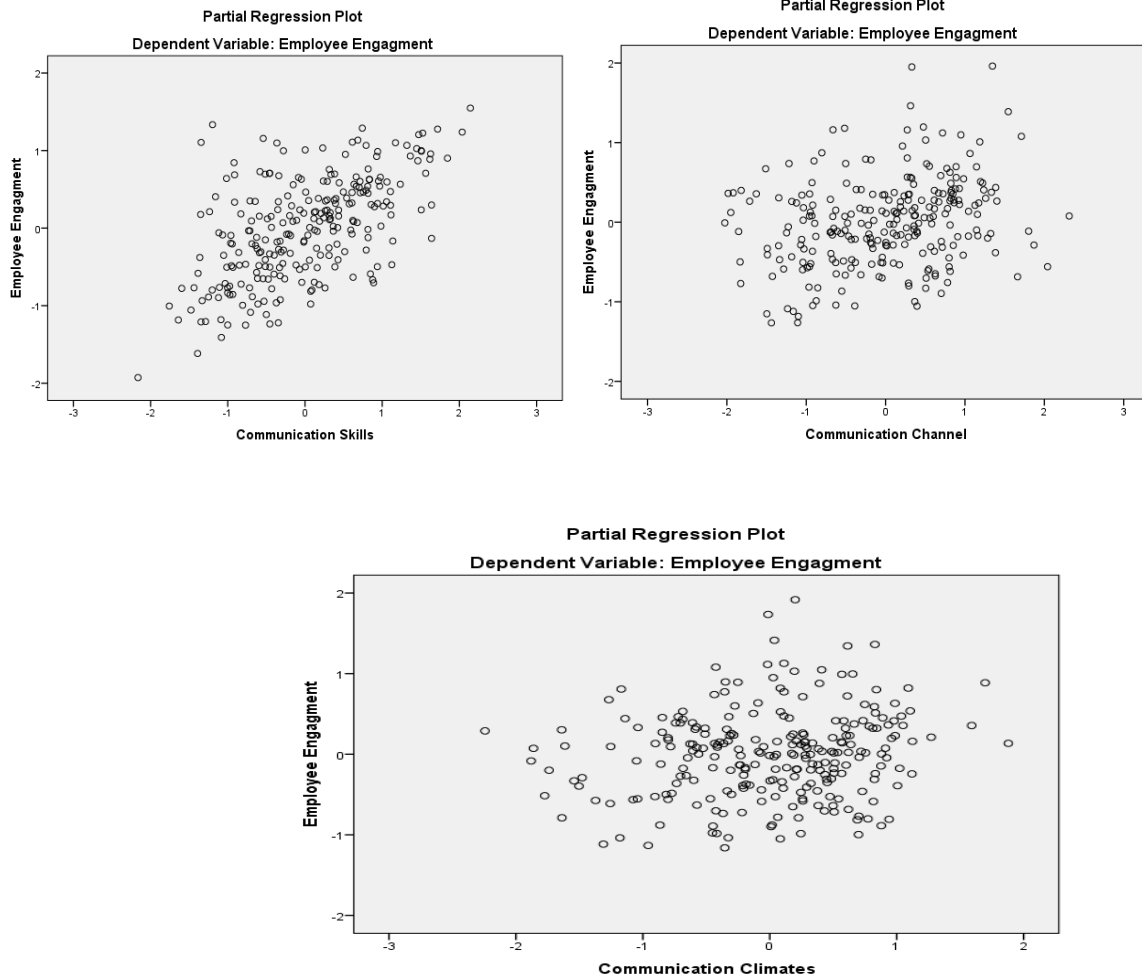
First, normality through histogram – the study used a histogram plot indicating normality of residuals. It produced a bell-shaped curve that shows the normal distribution of the series. The figure above shows a bell-shaped distribution of the residuals in this study. The figure shows that X-axis shows the residuals, whereas Y-axis represents the density of the data set. As a

consequence, this histogram plot confirms the normality test results from the two tests in this study.

## II. Heteroscedasticity

Appendix II Table 1, Heteroscedasticity Test

Model	Durbin-Watson
1	1.401



*Own Commutation, 2020*

Appendix II Figure 2, Scatter Plot

By using the least squares method (a procedure that minimizes the vertical deviations of plotted points surrounding a straight line), it is able to construct a best fitting straight line to the scatter diagram points as indicated above.

### III. Multicollinearity

Multicollinearity refers to a situation in which there is exact (or nearly exact) linear relation among two or more of the input variables (Uma, 2003).

**Appendix II, Table 2 Multicollinearity Test**

Model	Correlations			Collinearity Statistics		
	Zero-order	Partial	Part	Tolerance	VIF	
1						
	(Constant)					
	Communication Skills	.671	.588	.510	.806	1.240
	Communication Channel	.389	.267	.194	.900	1.111
	Communication Climates	.401	.151	.107	.813	1.230

*Own computation, 2020*

The VIF (Variance Inflation Factor) for each term in the model measures the combined effect of dependence among the repressors on the variance of that term. One or more large VIF indicate multicollinearity. Practical experience indicates that if any of the VIF results exceeds 5 or 10, it is an indication that the associated regression coefficients are poorly estimated because of multicollinearity (Uma, 2003).

Collinearity Statistics shows that the VIF value of three independent variables are between 1.111 and 1.240 which are less than 5 or 10 and no collinarity is observed on this data. The table also presents the result of regression analysis; the result of regression analysis is based on customer satisfaction. The independent variables that contribute to variance of the dependent variable are explained by standardized Beta coefficient.