

THE FLOW OF COMMUNICATION OF THE ORGANIZATION RELATED TO EMPLOYEE PERFORMANCE IN THE COMPANY: CASE STUDY ON A BUSINESS CONSULTANT COMPANY

Harkim¹

¹Institute of Economic Science (STIE) Indonesia, Medan
Correspondence : harkimsimamora@gmail.com

ABSTRACT

This research was conducted to describe theoretically, the flow of organizational communication in relation to employee performance in a company. In companies, especially large companies, the complexity of the work unit generally brings many barriers to communication between superiors and subordinates, and can be related to employee performance. Problems can arise in clogged organizational communication, causing a decrease in employee performance at the company.

This study uses several basic theories, namely organizational communication flow theory consisting of upward, downward, and horizontal communication. Then also used employee performance theory which consists of eight performance components. This research uses descriptive research. The research method is literature review and a qualitative approach. The results of this study indicate that in the view of experts, there is a relationship between organizational communication flow and employee performance. When the flow of organizational communication in the company is getting better, the employee's performance will also get better.

Keywords: Communication, Organization, Performance, Employees, Company.

INTRODUCTION

The existence of a corporation and its development can be pursued through a strategy to create and maintain its advantages by continuously increasing its competitiveness. The climate of competition is tough when the world economy is being hit by the Covid -19 pandemic as it is today. This reality makes companies demanded to be more resilient in running their business. One way to strengthen the business is to use external experts who see preparing business strategies.

External experts generally take the form of highly professional organizations in the field of business consulting. Indonesia, in a global economic order, has become a potential market for such a business consulting industry. The development of this foreign consulting company has further encouraged the expansion of the local consulting business in Indonesia (source: www.swa.co.id). A consulting company is an institution consisting of a group of individual experts aimed at helping other organizations that need outside assistance to develop performance through analyzing business problems faced and making strategic plans for the progress of the organization (Banai & Tulumieri, 2013; R. Townsend, in Kakabadse, et al., 2006).

In the study, the consulting services firm that will be studied are companies in the type of consultant "associated partners" with the characteristics of this organization, namely that

individuals who are members of the organization have equal roles and responsibilities (Family Business Institute, 2007). Companies get a job handling a case for a certain period of time, and usually use freelance workers, namely partners whose status is not a permanent or contract employee in the company.

Based on an interview with an employee who is the company's account manager or project manager, it is known that project activities are coordinated by two employees and their superiors. So far, employees tend to communicate using online media and direct interaction when coordinating work-related. In the field, the obstacles he experiences are when the company gets a new project, often he and his colleagues are not aware of the project. This results in the planning of project schedules that are not well coordinated and there is miscommunication between employees and their superiors because there is no clear information from superiors to employees when the company has received a new project.

Another problem is that there is no clear notification about who is the project leader so that when in the project field it can be led by two people. The lack of clear information about who is actually the project leader creates confusion for both people as well as for the rest of the team. Team members are confused about whom to discuss the tasks to be done, as well as the instructions from whom to follow. In addition, based on interviews with work partners, it was found that they often did not get detailed information about the description and division of tasks, so they did not know their roles and responsibilities during project activities. This results in the resulting performance being considered less than optimal and sometimes hindering the process of project activities.

These obstacles affect dissatisfaction for customers which ultimately has an impact on the company's credibility and existence. When viewed from the obstacles that arise, this is a symptom of communication problems. It appears that internal communication in the consulting firm is less effective. Employees do not receive comprehensive information that is important to know, thus hindering performance. This reality is in line with the results of research which suggests that the main obstacle that results in the failure of a project in a project-based company such as a consultant is a lack of internal communication (Koutoulogenis, 2007; Pries & Batu, in Seidl & Mohe, 2007; Ludvig & Louise, 2012).

Internal communication is needed to understand the organization, in the sense that it is a means of providing important information to employees in order to know about their work thoroughly, to know the goals the organization wants to achieve, and to know the state of the organization's environment (Rajhans, 2012). Clogged information, in the end, will cause misunderstanding among them, thus hindering the implementation process of the project. This condition ultimately causes what the organization wants is not achieved.

Thus, ineffective internal communication in the company or organization that handles the project will affect the performance and quality of the project or service produced by the organization (Koutoulogenis, 2007). In consulting firms that have a team to work together on projects, ineffective internal communication can hinder the delivery of information such as client needs. Even though this information is important to explain so that they know the purpose of the activities carried out and encourage them to be able to work together and coordinate effectively. Moreover, because generally team members have their own views on the project activities they handle and different ways of working from one another, this information will be able to help team members while working (Dainty, et al., 2006; in Ludvig, 2012 ; in Alatalo, 2012).

There are studies that lack of information, unclear messages received, and lack of attention to messages given make employees less understanding of the meaning or purpose of the contents of the messages received. In the end, this affects the process of completing the project being carried out. This certainly has an impact on the effectiveness and efficiency of company performance (Bove & Thill, in Vincentius, 2011). Based on the description above, a consulting company that experienced problems in internal communication resulted in reduced effectiveness of project handling.

THEORETICAL FRAMEWORK

Organizational Communication

In establishing cooperation to achieve a goal in an organization, communication is needed. Employees realize that communication is one of the important parts needed because most of the work activities they do will relate to work units from other departments in the organization (Kenan, 2014). Paul & Faules (2001) defines organizational communication, namely the interpretation of messages between communication units that are part of a particular organization. Goldhaber (1990) provides a definition of organizational communication as the process of creating and exchanging messages in a network of interdependent relationships to cope with an uncertain or changing environment. Organizational communication contains seven key concepts, namely:

1. Process The process seen is how the organization communicates an organizational goal in a structured and systematic manner with various mechanisms to its members
2. Message The message is an arrangement of symbols that have a meaning about an object. To communicate, someone needs to make a concept, label and feel the meaning of the message. Divided into 4, relating to language (verbal and non-verbal), the intended recipient for internal use (memos, bulletin, meetings) and external use (advertising), the method of disseminating messages (media), the purpose of the message is sent which is divided into messages that are related to tasks, messages related to matters for the continuity of the organization (policies), and messages related to individuals. Thus, the function of messages is to inform, to organize, to persuade and to integrate.
3. Network In creating and exchanging messages between individuals requires a network called a communication network.
4. Organizational dependence as an open system in which each part of the organization is dependent on one another, so that in organizational communication that occurs is complementary between parts.
5. Relationships Human relations in organizations range from simple relationships between two people to complex relationships. The nature of the relationships in the organization is individual, group and organizational relationships. This relationship is based on communication that occurs face-to-face and is associated with the number of people involved.
6. Environment Organizational communication is primarily concerned with transactions that occur within the organization's internal environment. Organizations need new information because of changing environmental conditions. Therefore this information

must be able to cope with changes in the environment by creating and exchanging messages both internally in relevant units and of public interest.

7. Uncertainty The uncertainty referred to is the difference between the available information and the expected information. Uncertainty in an organization is also caused by more information being received than is actually needed. In other words, too little information is being obtained and it could also be that too much is being received. It is therefore important to reduce this uncertainty by means of the organization creating and exchanging messages among members.

Organizational Communication Patterns

Organizations consist of individuals who occupy a certain position or role. Among these individuals, messages / information are exchanged through communication networks. According to Robbins (2003) that in organizations generally known five communication network models, namely:

1. Chain Model This communication network model adheres to a direct line communication relationship (command) either up or down without any deviation. This model is widely adopted in communication networks in military operations management, financial reporting (accounting) and others which are very rigid.
2. Wheel Model This communication network system makes all reports, instructions, work orders and supervision centered on one person who leads with four or more subordinates and there is no interaction (communication) between one subordinate and another.
3. Circle model This communication network model, in all members / staff interaction can occur at every three levels of the hierarchy but without continuation at a higher level, and only limited to each level. For example, communication occurs through interactions between subordinates and direct superiors (tiered communication).
4. Free network model. All levels in the network can make reciprocal interactions regardless of who is the central figure. All communication networks between levels of the hierarchy are not limited and each staff / subordinates is free to interact with various parties / leaders or vice versa.
5. The model of the letter "Y" The communication network model in this organization is not much different from the chain model, which is that there are four levels of hierarchy, one supervisor has two subordinates and two superiors who may have different divisions or departments.

METHOD

This study uses a qualitative approach by considering that the researcher will get more various kinds of information so that an understanding of the picture of organizational communication that runs in the company that is the subject of research can be comprehensive and identification of problems can be done more sharply. The interview was chosen as the method of data collection with the inductive analysis method. Thus, the interview guide is designed to be more open in order to obtain a variety of data related to respondents' experiences. The questions were arranged based on the theory of organizational communication put forward

by Goldhaber, but were explored through the general experiences that respondents faced in the communication process of project work.

In the process, the researcher uses a recording device so that the data can be documented. Data were analyzed through content analysis. The research respondents involved four people who were selected through the maximum variation technique with variations based on position. They are two respondents from the internal company, namely the boss / leader who is also one of the company owners and subordinates and two respondents are work partners.

DISCUSSION

The results showed that each member of the company communicated with each other freely without too binding formal boundaries. Information flows from various parties and is carried out informally, where information is conveyed in an unwritten, direct and oral manner. In daily routine, company members are in contact with each other to coordinate. This is done through informal or formal meetings where possible and also through online media. This kind of informal communication is considered sufficient for carrying out work activities in the organization by company members. However, in the field it resulted in obstacles to project coordination. For example, there was a delay in sharing information among company members which resulted in project schedule planning and team division not going well.

In addition, this form of informal communication for project purposes is inadequate for partners because it causes confusion when working on project activities. Overall, with informal communication, the information conveyed related to the project was inconsistent with the partners depending on who delivered it and sometimes it was not in accordance with the conditions during project implementation. Information inconsistencies appear in the delivery of information about project activities, and information on work partners' tasks.

Organizational Communication Patterns

Direct Communication

The leaders and subordinates are free to interact by frequently exchanging information for task coordination through discussion, where each member can voice his / her opinion. This is included in the free communication network (Robbins, 2003). In coordination, the media used are such as telephone, chat messenger or, if possible, through meetings which are usually attended by certain parties, depending on the purpose of the meeting. This meeting is considered as one form of direct communication that is considered effective for discussing work among company members, it can also be when discussing problems that occur in connection with a particular project. For superiors / company leaders and subordinates, communication will be more effective when it is done directly and verbally. According to superiors / leaders, with direct communication, the parties involved can find out the intonation of the interlocutor which plays a role in capturing the meaning of the message conveyed.

Subordinates consider that it is quite easy for him to get information within the company, especially information about tasks that he really needs to know. Thus, it can be seen that the information received in the organization generally serves to inform company members regarding the task (Goldhaber, 1990). This information is also obtained directly from superiors.

Information Distribution

Information that is usually discussed by each party is not only related to clients, but also other information related to work processes in the company. This information flows from various parties, both from superiors / leaders and subordinates. As a consulting company, we often experience situations full of uncertainty, for example, a sudden client request for project activities. Therefore, it is necessary to have good coordination among company members to complement and clarify information from each party so that it is accurate and comprehensive (Goldhaber, 1990).

Communicator Character

Information received by partners tends to be insufficient in the sense that there is too little information provided by company members. This creates uncertainty, in the sense of unclear information, especially for partners (Goldhaber, 1990). Company members will be more informative only when asked further. According to partners, it is normal for a consulting firm to be less open about some information to its partners. Some things that are not communicated to the work partners by the company may be due to several factors, for example, the status of the work partner who tends not to stay, is different from employees who work in the company in general and could be because the information is confidential. This thinking is what makes work partners understand the lack of openness between the company and them. Even so, the provision of information in the company is deemed inadequate because company members can provide sufficiently clear answers only when asked.

Informal Communication

Delegation of Oral Tasks

In delegating tasks to subordinates, superiors / leaders convey it in the form of a general description of what tasks the subordinates should do. Information on this instruction is conveyed not in writing, verbally and informally in the sense that the message content of the instruction is not based on standard duty procedures.

Communicator Strata and Types of Activities

In conveying information about a project to work partners, there is no formal procedure so that it appears that communication to partners is done informally, in the sense that information is not conveyed officially. The media used is through online media. The content of messages sent to partners varies between superiors and subordinates, resulting in inconsistencies in what information needs to be conveyed to partners about project activities.

Information Inconsistency

After the project team is formed, usually the partners will be informed again about the certainty of the project schedule a few days before the project implementation by subordinates. Usually the information received by partners is about the meeting time and location as well as the dress code that the project team must use. Sometimes subordinates do not inform again regarding the project schedule that they previously offered to their partners. In the end, the partners took the initiative to ask again whether the proposed project would still be implemented or not.

Job Partner Information

Subordinates seem inconsistent in notifying information about work partners' duties in project activities because they do not have standard rules that must be carried out in every project

implementation. If the project team consists of new partners, subordinates realize that they should provide information about what activities are usually carried out during the project. But it seems that the subordinates do not specifically tell the distribution of tasks for each member of the project team. This is because later partners will receive more complete information on the day of project activities. Subordinates also realized that they did not have time to provide information related to work partners' tasks during the day of project activities. This resulted in the internal company only notifying that the work partner would later work based on conditions in the field. The impact of this situation is that there are partners who are confused about what to do during project implementation

The Impact of Ineffective Communication *Impeding Coordination*

In the field, the coordination between the boss / head of the company and the two subordinates is not good enough. There is often a delay in sharing information between them resulting in conflicting project schedules because the online system experiences technical problems or because a company member forgets to document it in the online system. The impact of this situation is that partners often receive the same job offers by both subordinates or superiors / leaders, while the work partners have actually given answers to one of them. This situation shows that the organization as an open system in which each part of the organization is dependent on one another, should have effective organizational communication to complement each other in the company.

The condition in which the work partners do not get detailed information about the distribution of their duties, for some partners it makes it uncomfortable, especially when they are just participating in project activities. There is a feeling of fear of making mistakes at work, confused about what to do, nervousness, and so on.

Communication Strategy

According to partners who have experienced unclear information during project work, the company can hold debriefing periodically, where partners are given more detailed and clear information about the overall procedure for project activities, and what tasks they have to do. This strategy can help them feel more comfortable at work and make it easier for them so they don't have to ask intensely to internal company parties. Actually, the company has already done this periodic provisioning, but at this time it is no longer done. Even though debriefing is one strategy that can be done to improve organizational communication (Sharma, 2014). Meanwhile, according to subordinates, the solution that can be given to facilitate the delivery of information on project activities is the existence of a structure or rules that explain what should be done and what should not be done, so that it will further clarify the tasks for the parties involved.

CONCLUSION

Based on the results of the above research, it is concluded that organizational communication in the company has an organizational communication pattern that is included in the free network model and information flows from various parties within the organization. It can be seen that subordinates can freely interact, share information related to tasks or other information with superiors / leaders or vice versa through direct discussion. That way there is an exchange of information among company members to help clarify and complete all existing

information. Likewise, partners can communicate directly with company members, especially when they want to obtain more detailed information. The communication process between company members is carried out informally, namely in providing task instructions and work coordination such as project activities to subordinates carried out in writing and verbally.

Communication media which is commonly used through online media or also through meetings such as meetings if possible. This way of communicating was not effective enough to coordinate project activities. Communication with partners is also done informally. It can be seen from the project bidding process which is generally carried out through online media and also the information submitted to work partners varies depending on who is delivering it so it tends to be inconsistent. This situation makes partners confused about their roles and duties so that when working based on the initiative and experience they have and feel uncomfortable at work. The inconsistency of the information submitted to work partners is due to the view that partners with a psychological education background already know what tasks to do during project activities, time constraints and the absence of standard rules regarding the delivery of information or what things need to be conveyed to partners in writing. Thus, it appears that this informal communication process is not yet effective enough for project activities.

REFERENCES

- Alatalo, U. (2012). Communication strategy in projects. Master's Thesis. Master's degree in Entrepreneurship and Business Competence.
- Banai, M.; Tulimieri, P. (2013) Knowledge, skills and personality of the effective business consultant. *Journal of Management Development*. Vol. 32 No. 8, 2013. pp. 886-900.
- "Bisnis Konsultan Kian Gurih". (2006). Diunduh pada 17 November 2014 dari <http://swa.co.id/listedarticles/bisnis-konsultan-kian-gurih>
- Gautama, T. A. (2010). Peran komunikasi dalam organisasi. *Jurnal Sosiologi*, Vol 25 No. 2
- Goldhaber, G. M. (1990). *Organizational communication* 5 th ed. State University of New York at Buffalo. Wm.C. Brown Publisher.
- Kakabadse, N. K., Louchart, E., & Kakabadse, A. (2006). Counsultant's role: A qualitative inquiry from the counsultant's perspective. *Journal of Management Development*. 25 (5) p 416-500
- Kenan, S. (2014). *Organizational communication process*. UDK 658.5:316.77
- Koutoulougienis, D. N. (2007). The lack of internal communication as a factor which affects the performance of project based companies or organizations. Tesis disampaikan untuk Program Manajemen Proyek di Sekolah Bisnis dan Manajemen City University.
- Ludvig, B. & Louise, C. (2012). Communication in mega-projects the consultant's perspective. Master of Science. No. 185. Department of Real Estate and Construction Management.
- Rajhans, K. (2012). Effective organizational communication: A key to employee motivation and performance. *Interscience Management Review (IMR)* ISSN: 2231-1513 Vol-2, Issue-2.
- Robbins, P. S. (2003). *Organization theory: Structure, design and applications*. Prentice-Hall, Inc. R. Townsend. "Consultants who they are and how they work the basics". Up The Organization. PT. X Technologies. Diunduh pada 14 November 2014 dari https://www.idconline.com/technical_references/pdfs/project_management/consultant.
- Wayne Pace dan Don F. Faules, Deddy Mulyana, (Ed.) 2005. *Komunikasi organisasi (strategi meningkatkan kinerja perusahaan)*, cet.4. Bandung: Remaja Rosdakarya

- Seidl, D.& Mohe, M. (2007). The consultant-client relationship: A system theoritical perspective. Diunduh dari Online at <http://epub.ub.uni-muenchen.de/>
- Sharma, Y. (2014). Role of organizational communication in management. International Journal of Scientific Research and Management (IJSRM). Vol.2. Pages 655-658
- Vincentius, S. E. (2011). Hambatan komunikasi di kantor pusat ECS group. Master Thesis Psikologi. Unika Atmajaya. Jakarta.