

INFLUENCE OF ORGANIZATIONAL COMMUNICATION ON EMPLOYEE COMMITMENT AMONG BANK EMPLOYEES IN KERALA

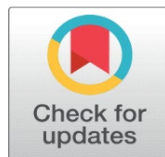
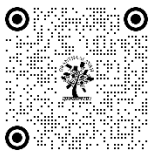
Badisha V ¹, Dr. Anilkumar M ², Jincy V.K ³, Hamsa E ⁴, Kavitha V.K ¹

¹Research Scholar, Government Arts College Thiruvananthapuram, Kerala University & Assistant Professor, Department of Commerce, T.M. Government College, Tirur, Kerala, India

²Assistant Professor, Department of Commerce, Government Arts College Thiruvananthapuram, Kerala, India

³Research Scholar, Farook College (Autonomous), Kozhikode, University of Calicut and Assistant Professor, Department of Commerce, Government Arts and Science College Calicut, Kerala, India

⁴Hamsa E, Assistant Professor, Department of Commerce and Management Studies, P.T.M. Government College Perinthalmanna, Kerala, India



Corresponding Author

Badisha V, veebadisha@gmail.com

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ABSTRACT

This study investigates the influence of organizational communication on employee commitment among bank employees in Kerala. Data collected from 144 employees including officers and clerical staff from three public and three private sector banks in Kerala, using a structured questionnaire. The reliability of test instrument was done using Cronbach's Alpha which shed that all constructs in the study showed acceptable reliability ($\alpha > 0.7$). Pearson correlation analysis revealed a strong, positive relationship between organizational communication and employee commitment ($r = .691, p < .01$). Multiple regression analysis showed that upward communication opportunities, supportive climate, and quality of information significantly impacted commitment, collectively explaining 49.1% of the variance ($R^2 = .491, p < .001$). Among the predictors, upward communication opportunity exerted the strongest positive influence. T-tests and ANOVA results indicated that gender significantly affected both organizational communications. These findings emphasize the critical role of transparent and participative communication practices in enhancing employee commitment in the banking sector.

Keywords: Organizational Communication, Employee Commitment, Banking Sector, Upward Communication

1. INTRODUCTIONS

Employee commitment, defined as the emotional, cognitive, and behavioral attachment to an organization, is crucial for organizational success, particularly in the banking sector where it affects customer satisfaction, productivity, and operational efficiency (Allen & Meyer, 1990). Despite Kerala's strong banking infrastructure and high literacy rates, challenges such as low employee engagement and declining commitment persist, often linked to ineffective organizational communication (Madhusudhan, 2016).

Organizational communication plays a pivotal role in fostering engagement and commitment by enhancing clarity, transparency, and trust (Goldhaber, 1993; Kular et al., 2008; Saks, 2006). Although the general relationship between communication and commitment is well documented (Saks, 2006; Iyer & Israel, 2012), specific insights into Kerala's banking sector are scarce. This study addresses this gap by examining how aspects of organizational communication, such as superior-subordinate communication, information quality, and upward feedback opportunities, influence employee commitment among Kerala's bank employees. Prior studies emphasize that effective communication builds trust, strengthens alignment with organizational goals, and fosters a sense of ownership, thereby enhancing commitment (Kular & Gatenby, 2008; Bambacas & Patrickson, 2008). This study aims to examine how organizational communication influences employee commitment among bank employees in Kerala. It also seeks to explore the relationship between specific communication dimensions and commitment, and to assess the impact of demographic factors on these variables. The study will help to suggest practical strategies for improving communication and workforce commitment in Kerala's banking industry.

2. LITERATURE REVIEW

2.1. ORGANIZATIONAL COMMUNICATION

Organizational communication involves the processes through which information is shared and understood within an organization, facilitating coordination and promoting employee engagement. It includes both formal and informal exchanges, such as upward and downward communication and informal conversations (Goldhaber, 1993; Kular & Gatenby, 2008). Effective communication is critical for aligning employees with organizational goals, fostering clarity, and building emotional connections to the organization (Attridge, 2009).

Key aspects include communication types, the quality of information shared, and the consistency of practices. Upward communication, where employees offer feedback to management, significantly boosts engagement and satisfaction (Banaeianjahromi & Smolander, 2019), while downward communication clarifies roles and expectations (Kular et al., 2008). Superior openness managers' willingness to communicate transparently enhances trust and employee commitment (Iyer & Israel, 2012). Consistent and transparent communication also cultivates a positive organizational climate, reducing uncertainty and strengthening credibility (Watson Wyatt Worldwide, 2008).

2.2. EMPLOYEE COMMITMENT

Employee commitment is the psychological bond between employees and their organization, reflecting their engagement, motivation, and intent to remain with the company (Meyer & Allen, 1991). Commitment consists of three dimensions:

- **Affective Commitment:** Emotional attachment to the organization (Allen & Meyer, 1990).
- **Continuance Commitment:** Recognition of the costs associated with leaving the organization (Allen & Meyer, 1990).
- **Normative Commitment:** A sense of obligation to remain with the organization (Meyer & Allen, 1991).

High organizational commitment correlates with improved retention, job satisfaction, and performance.

2.3. ORGANIZATIONAL COMMUNICATION AND EMPLOYEE COMMITMENT

Social Exchange Theory (Blau, 1964) says that employee commitment develops through reciprocal exchanges of loyalty and organizational support, where clear communication is vital. Trust and transparency in communication significantly enhance engagement (Saks, 2006). Similarly, Kahn's (1990) Psychological Conditions Theory highlights that communication promoting meaningfulness, safety, and availability strengthens commitment.

Key communication aspects influencing commitment include:

- **Superior-Subordinate Communication:** Transparent, supportive interactions build trust and drive organizational commitment (Kular et al., 2008).
- **Quality of Information:** Accurate, timely communication enables employees to align with organizational goals, fostering commitment (Attridge, 2009).

- **Upward Communication:** Encouraging feedback and participation promotes a sense of ownership and deeper commitment (Bambacas & Patrickson, 2008).
- **Reliability and Trust:** Consistent communication practices enhance credibility and trust, reinforcing commitment (Sarangi & Srivastava, 2012).
- **Supportive Climate:** A transparent, supportive communication environment increases employee satisfaction and commitment, especially critical in sectors like banking (De Ridder, 2004).

Employee commitment is particularly significant in the banking sector, where it drives productivity, job satisfaction, and retention (Saks, 2006). In Kerala, challenges such as low job satisfaction and ineffective communication have been linked to declining employee commitment (Iyer & Israel, 2012).

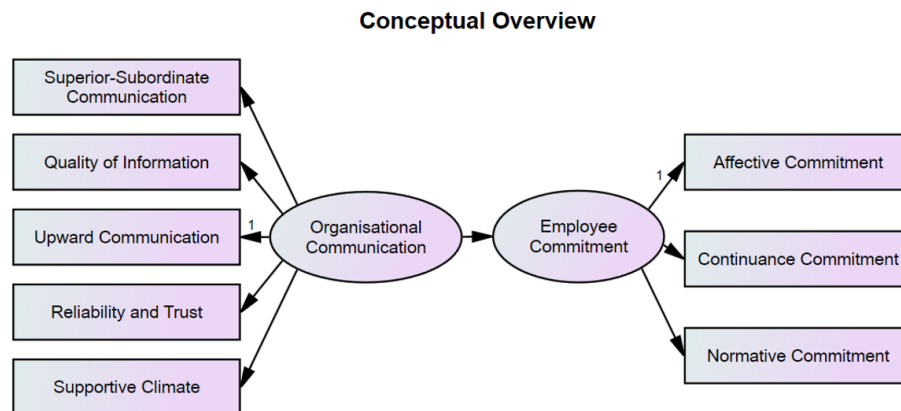


Figure 1 Source: Compiled by author

3. MATERIALS AND METHODS

This study employed a descriptive and analytical research design, using a structured questionnaire to collect primary data from 144 bank employees (officers and clerical staff) working at three public sector banks (State Bank of India, Canara Bank, Union Bank of India) and three private sector banks (Federal Bank, South Indian Bank, HDFC Bank) in Kerala, selected based on their branch density in Kerala (State Level Bankers' Committee [SLBC], 2022). A multi-stage sampling method was used to select sample bank branches- purposive sampling first used select six districts—Malappuram, Kozhikode, Ernakulam, Thrissur, Kottayam, and Thiruvananthapuram—being two districts each representing Kerala's northern, central, and southern zones, being 2 districts each with highest number of bank branches, followed by random selection of six branches from each district, covering a total of 36 branches. The questionnaire measured demographic factors, organizational communication variables and employee commitment variables.

The measurement scales for organizational communication variables were adapted from the conceptual frameworks and empirical insights provided by Kular et al. (2008), Attridge (2009), Bambacas and Patrickson (2008), Sarangi and Srivastava (2012), and De Ridder (2004). Employee commitment was assessed using the Three-Component Model (TCM) developed by Allen and Meyer (1990). Responses were recorded using a 5-point Likert scale. Data were analyzed using SPSS software, reliability tested by employing Cronbach's Alpha, multiple regression analysis used to assess the influence of organizational communication on employee commitment, and independent t-tests and one-way ANOVA used to examine differences in Organisational communication and employee commitment based on demographic variables.

Table 3.1: Reliability Analysis

Constructs	No. of Items	Cronbach's Alpha C0-efficient
Superior-Subordinate Communication	4	0.821
Quality of Information	4	0.824

Upward Communication Opportunity	4	0.822
Reliability and Trust	4	0.816
Supportive Climate	4	0.826
Affective Commitment	8	0.838
Continuance Commitment	7	0.848
Normative Commitment	9	0.826
Employee Commitment	24	0.830

Source: Primary data

The reliability analysis using Cronbach's Alpha shows that all constructs in the study are showing acceptable reliability ($\alpha > 0.7$), ensuring the internal consistency of the measurement scales.

4. RESULTS AND DISCUSSION

4.1. RELATION BETWEEN ORGANIZATIONAL COMMUNICATION ON EMPLOYEE COMMITMENT

To explore the relationship between Organizational Communication on Employee Commitment, a Pearson correlation analysis was conducted.

Hypothesis: H1: There is significant relation between organizational communication and employee commitment among bank employees.

Table 4.1: Correlation Analysis

		Work Life Balance	Job Satisfaction
Organisational Communication	Pearson Correlation	1	.691**
	Sig. (2-tailed)		0.000
	N	144	144
Employee Commitment	Pearson Correlation	.691**	1
	Sig. (2-tailed)	0.000	
	N	144	144
**. Correlation is significant at the 0.05 level (2-tailed).			

Source Primary data

The study found a strong, statistically significant positive correlation between organizational communication and employee commitment ($r = .691$, $p < .01$), accepting the alternative hypothesis, indicating that higher levels of effective communication within the organization are associated with greater commitment among bank employees.

4.2. INFLUENCE OF WORK LIFE BALANCE ON JOB SATISFACTION

To examine the influence of organizational communication components on employee commitment, a multiple regression analysis was conducted. The independent variables included Superior-Subordinate Communication, Quality of Information, Upward Communication Opportunity, Reliability and Trust, and Supportive Climate, with Employee Commitment as the dependent variable.

Hypothesis: H2: Organizational communication has a significant influence on employee commitment among bank employees.

Table 4.2 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.701 ^a	0.491	0.473	0.31474
a. Predictors: (Constant), Supportive Climate, Upward Communication Opportunity, Quality of Information, Superior-Subordinate Communication, Reliability and Trust				

Source Primary data

The model summary shows a strong correlation between the predictors and employee commitment ($R = .701$), with $R^2 = 0.491$, indicating that 49.1% of the variance in employee commitment is explained by the predictors. The adjusted $R^2 = 0.473$ and a standard error of 0.31474 confirm a reasonably robust and well-fitting model.

Table 4.3: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	13.190	5	2.638	26.629	.000 ^b
	Residual	13.671	138	0.099		
	Total	26.861	143			
a. Dependent Variable: Employee Commitment						
b. Predictors: (Constant), Supportive Climate, Upward Communication Opportunity, Quality of Information, Superior-Subordinate Communication, Reliability and Trust						

Source Primary data

The ANOVA results confirm that the regression model is statistically significant ($F(5, 138) = 26.629$, $p < .001$), indicating that the predictors collectively have a significant impact on employee commitment and that the model reliably predicts the outcome variable.

Table 4.4: Coefficients

1. Model		2. Unstandardised Coefficients		3. Standardized Coefficients	4. t	5. Sig.
		6. B	7. Std. Error	8. Beta		
1	(Constant)	1.889	0.115		16.427	0.000

	9. Superior-Subordinate Communication	10. 0 . 0 3 1	11. 0.0 65	12. 0.065	13. 0 . 4 8 5	14. 0 . 6 2 8
	15. Quality of Information	16. 0 . 0 7 8	17. 0.0 39	18. 0.167	19. 2 . 0 0 6	20. 0 . 0 4 7
	21. Upward Communication Opportunity	22. 0 . 0 9 3	23. 0.0 38	24. 0.197	25. 2 . 4 6 1	26. 0 . 0 1 5
	Reliability and Trust	0.117	0.070	0.239	1.684	0.094
	Supportive Climate	0.088	0.040	0.181	2.193	0.030
27. a. Dependent Variable: Employee Commitment						

Source Primary data

The coefficients reveal that Quality of Information ($\beta = .167$, $p = .047$), Upward Communication Opportunity ($\beta = .197$, $p = .015$), and Supportive Climate ($\beta = .181$, $p = .030$) had significant positive impacts on employee commitment. Among these, Upward Communication Opportunity showed the strongest positive influence. Superior-Subordinate Communication ($\beta = .065$, $p = .628$) and Reliability and Trust ($\beta = .239$, $p = .094$) did not have a statistically significant impact at the 0.05 level. The constant ($B = 1.889$) reflects the baseline level of employee commitment when all predictors are zero.

4.3. ANALYSIS OF ORGANIZATIONAL COMMUNICATION ON EMPLOYEE COMMITMENT BASED ON DEMOGRAPHIC INFORMATION

To examine the effect of demographic variables on organizational communication and employee commitment, T-Test and ANOVA were used.

Hypothesis: H3: There is significant difference in organizational communication and employee commitment on the basis of demographic variables.

Table 4.5 T-Test and ANOVA Results for Demographic Variables

Categorical Variable	Continuous Variable	Results
Gender	Organizational Communication	$t(142) = -2.942$, $p = 0.004 < 0.05$
	Employee Commitment	$t(142) = -2.505$, $p = 0.013 < 0.05$
Job Role	Organizational Communication	$t(142) = -0.931$, $p = 0.353 > 0.05$
	Employee Commitment	$t(142) = -0.336$, $p = 0.738 > 0.05$
Age Group	Organizational Communication	$F(3, 140) = 0.320$, $p = 0.811 > 0.05$
	Employee Commitment	$F(3, 140) = 2.447$, $p = 0.066 > 0.05$

Experience Years	Organizational Communication	$F(3, 140) = 1.405, p = 0.244 > 0.05$
	Employee Commitment	$F(3, 140) = 0.288, p = 0.834 > 0.05$

Source Primary data

T-tests and ANOVA results revealed that Gender significantly influence both organizational communication ($t(142) = -2.942, p = .004$) and employee commitment ($t(142) = -2.505, p = .013$), with males reporting higher mean scores in both variables. However, job role did not significantly affect organizational communication ($t(142) = -0.931, p = .353$) or employee commitment ($t(142) = -0.336, p = .738$). Additionally, no significant differences were found across age groups for organizational communication ($F(3, 140) = 0.320, p = .811$) or employee commitment ($F(3, 140) = 2.447, p = .066$). Years of experience similarly showed no significant effect on organizational communication ($F(3, 140) = 1.405, p = .244$) or employee commitment ($F(3, 140) = 0.288, p = .834$). These findings suggest that while gender plays a role in shaping communication and commitment perceptions among bank employees, job role, age, and experience do not significantly differentiate these outcomes.

This study explored the influence of organizational communication on employee commitment among bank employees in Kerala. Correlation analysis revealed a strong, statistically significant positive relationship between organizational communication and employee commitment ($r = .691, p < .01$), indicating that better communication practices are associated with stronger commitment levels among employees. Multiple regression analysis showed that Superior-Subordinate Communication, Quality of Information, Upward Communication Opportunity, Reliability and Trust, and Supportive Climate collectively explained 49.1% of the variance in employee commitment ($R^2 = .491, p < .001$). Among the predictors, Upward Communication Opportunity ($\beta = .197, p = .015$), Supportive Climate ($\beta = .181, p = .030$), and Quality of Information ($\beta = .167, p = .047$) had significant positive effects, with Upward Communication Opportunity being the strongest contributor. Superior-Subordinate Communication and Reliability and Trust did not have statistically significant impacts at the 5% level. T-tests and ANOVA results further indicated that gender significantly influenced both organizational communication and employee commitment. However, job role, age group, and years of experience did not show significant differences.

These findings align with previous research highlighting the role of communication in enhancing organizational outcomes (Kular et al., 2008; Bambacas & Patrickson, 2008; De Ridder, 2004) and emphasize that specific communication practices, particularly providing opportunities for upward communication and fostering a supportive climate, are critical for strengthening employee commitment in the banking sector.

5. CONCLUSION

This study provides important insights into the relationship between organizational communication and employee commitment among bank employees in Kerala. The results confirm a strong positive association between effective communication practices and higher levels of employee commitment. The regression analysis revealed that key aspects such as upward communication opportunities, supportive communication climates, and the quality of information shared within banks significantly impact employees' organizational commitment. Among these, upward communication opportunities had the most substantial influence. Additionally, gender differences were observed in communication and commitment perceptions, while job role, age, and experience showed no significant effect. These findings highlight the need for banking institutions to prioritize open, transparent, and participative communication systems. By fostering an environment that encourages feedback, supports employees, and provides reliable information, banks can enhance employee loyalty, reduce turnover, and improve overall organizational performance. Future strategies should include designing structured feedback mechanisms, leadership training focused on communication skills, and cultivating a supportive organizational culture to sustain long-term employee engagement and commitment (Attridge, 2009; Sarangi & Srivastava, 2012).

CONFLICT OF INTERESTS

None.

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