

## IMPACT OF COMMUNICATION ON EMPLOYEE PERFORMANCE OF PHARMACEUTICAL COMPANIES IN NEPAL

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### Abstract

*This study aimed to examine the impact of communication on the employee performance of Pharmaceutical Companies in Nepal. The variables included in the study are independent variables of communication, i.e., oral communication, written communication & non-verbal communication, with employee performance as a dependent variable. A descriptive and analytical research design using a questionnaire method on a 5-point Likert scale was used to collect and analyze the data. The study was conducted with a sample size of 115 employees of pharmaceutical companies in Nepal. The data were analyzed using descriptive statistics, correlation, multiple regression analysis, and t-test using SPSS software. The finding of this study provides empirical evidence to the management to ensure effective oral, written & non-verbal communication in the pharmaceutical companies in Nepal. The results of the study showed that only oral communication significantly impacts employee performance, and both written and non-verbal communication have an insignificant impact on employee performance of pharmaceutical companies of Nepal.*

**Keywords:** Employee Performance, Oral Communication, Written Communication, Non-Verbal Communication, Pharmaceutical Companies

### INTRODUCTION

Communication is a crucial aspect of organizational activities; organizations must meet their requirements with better resources by communicating (Femi, 2014). Communication is the process of exchanging information from the highest level of management to the lowest level of employees and personnel to achieve objectives. Communication at the Puri Saron Hotel must be improved, as indicated by the high number of complaints regarding the slow response to employee requests and the absence of coordination between departments. According to Atambo and Momanyi (2016), previous research demonstrates a relationship between communication and performance, with communication having a positive and significant influence on performance.

Employee performance is crucial in any organization because a satisfied employee will have higher performance, which will, in the long run, increase the productivity of the organization. Today, everyone is appointed to play their assigned roles and fulfil their responsibilities in order to ensure that the organization's objectives are met. To increase organizational productivity, employees' efforts are focused on the organization's overall mission or on their specific aspects. It conveys the meaning that employees must set goals based on their managers' expectations, but they must also establish their own, internal goals on occasion. Employees' behaviors are observable and mental actions influence their decision-making. Consequently, a high-performing employee will be encouraged to remain with the organization for as long as feasible due to the benefits he brings and the positive image he creates. Performance is one of the most important factors to consider when discussing companies' internal marketing, but not the only one. Given the continuous development of companies and the rise in market standards, attaining the highest level of performance becomes a growing challenge (Vosloban, 2012).

An organization's performance could be improved by sharing information with employees and involving them in policy formulation. However, this restores employee satisfaction and productivity throughout an organization. In some cases, the communication gap between managers and employees makes employees feel untrustworthy, unappreciated, and unqualified for responsibility in their field of work. According to his studies, an organization's most valuable resources are its employees; therefore, managers must encourage a two-way flow of information to maximize both organization performance and employee productivity. Consequently, communication is essential for all parties, as it services the majority of managerial functions. Internal communication is required from an ethical standpoint in order to initiate expansion plans, consolidate resources in a cost-effective manner, and select, develop, and evaluate organization members. In contrast, external communication is necessary to create awareness among

management's stakeholders, such as suppliers, government agencies, and others, in order to conduct business with them. The essence of communication is crucial and cannot be disregarded; the monarch of mechanical systems determines the growth of an organization in every facet of the modern era (Puth, 2002).

In the context of Nepal pharmaceutical companies, the sustainability of an organization depends on effective communication among employees, and effective communication is the basis for the development of relationships.

The main problems of the research are:-

- How does oral communication affect the employee performance of Pharmaceutical Companies in Nepal?
- What is the relationship between written communication and employee performance of Pharmaceutical Companies in Nepal?
- How does non-verbal communication influence employee performance of Pharmaceutical Companies in Nepal?

The primary purpose of this research paper is to determine the Effect of communication on employee performance in Nepalese pharmaceutical companies. However, the specific objectives of the studies are below:-

- To analyze the impact of oral communication on the employee performance of Pharmaceutical Companies in Nepal.
- To identify the relationship between written communication and employee performance of Pharmaceutical Companies in Nepal.
- To examine the influence of non-verbal communication on employee performance of Pharmaceutical Companies in Nepal.

## REVIEW OF LITERATURE

Idayanti, Ayu, and Piartrini (2020) carried the research on the effects of communication, competency, and workload on employee performance at Hotel Puri Saron, the organization must cope with increasingly intense market pressures. To achieve their objectives, organizations must develop their human resources and infrastructure. The performance of employees is one of the management concepts intended to sustain and improve institutional competitiveness. To function effectively, employees must have communication, competence, and workload. This research was conducted in one of the hotels in Seminyak Kuta because some problems were initially identified, including complaints about workloads, a lack of competence due to a lack of training, a lack of interdepartmental coordination due to a lack of effective communication, and individual employee personality differences. Using the saturated samples technique, 114 employees of the Puri Saron Hotel served as the sample. For data analysis, utilize SPSS.25. Communication had a significant positive effect on employee performance, according to the findings. Competence significantly improves employee performance. Significantly enhancing employee performance is the effect of workload. The implication of this study is that communication system must be improved within the company's environment so that all workloads can be resolved, such as by enhancing employee competence, which will have a positive impact on employee performance.

Sarah et al. (2019). Understanding the effects of interpersonal communication and task design on the job performance of manufacturing employees through research. This study seeks to investigate the influence of task design and interpersonal communication on manufacturing workers' job performance. The data is examined using a survey (questionnaire) of 152 employees from one of the manufacturing companies in Penang, Malaysia. The purpose of regression analysis is to test hypotheses concerning all direct relationships between the criterion (job performance) and the variables (such as interpersonal communication and task design). The findings indicate that the employees of these companies have high levels of job performance (= 3.70), interpersonal communication (=3.64), and task design (=3.66). There are also positive correlations between employee performance and interpersonal communication ( $r=.53$ ,  $p=.001$ ) and task design ( $r=.54$ ,  $p=.001$ ). Consequently, this study produced valuable information regarding employee performance, internal communication, and task design in one of Malaysia's manufacturing companies.

Hee et al. (2019) Investigated the effect of communication on employee performance through research. This study aims to examine the impact of upstream, downward, and horizontal communication on employee performance in Malaysian real estate development firms. This investigation's data were gathered using a survey questionnaire. There were 120 participants in the investigation. The results indicate that both horizontal and downward communication have a positive impact on employee performance. This study's findings can assist real estate development firms in gaining a deeper comprehension of the significance of employee communication in enhancing employee performance. In order for this to occur, management may prioritise the enhancement of employees' expressive and

communicative abilities through the development of soft skills. More interdepartmental gatherings should be organized by management in order to strengthen relationships between superiors and subordinates. To accomplish effective organization-wide communication, it is necessary to establish an appropriate training and development plan.

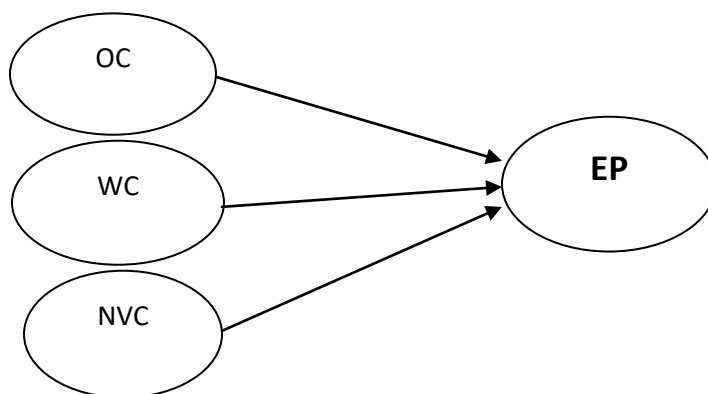
Otoo (2016) Research on the effect of communication on employee performance at the Ghana Revenue Authority was presented; any organization where information is transmitted verbally and nonverbally will experience communication. Despite occasional challenges, the Ghana Revenue Authority (GRA) utilizes communication in its daily operations, in formal and informal interactions with colleagues as well as between supervisors and subordinates. When the three (3) Revenue Agencies that comprise the GRA — the Internal Revenue Service (IRS), Customs Excise and Preventive Service (CEPS), and Value-Added Tax Service (VAT) — merged into one Authority, the situation deteriorated. Role clarity has become an issue as a result of employees having to relocate and share offices with colleagues from different departments. This study examined, using GRA as a case study, how effective communication influences organizational performance. The study focused on the communication systems offered by GRA and assessed employee performance. It also established a connection between effective corporate communication and employee productivity. It also disclosed which communication channels were most valued by staff. In the end, it was determined that the GRA's communication systems contained obstacles and defects. Primary sources were utilized. Using straightforward random sampling, 200 respondents were chosen. The analysis utilised the results of the mean, correlation, and regression. Face-to-face, telephone, written memos, email/Internet, and grapevines appear to be the most frequently used channels of communication, with face-to-face being the most efficient. Additionally, the majority of GRA employees execute admirably. Barriers and malfunctions in communication systems include selective listening, distraction, time pressure, communication inundation, information distortion, and prejudice. Finally, correlations are found between various employee performance indicators and diverse measures of organizational communication effectiveness. If communication system restrictions are eliminated or kept to a minimum, employee performance can be enhanced further. To improve communication clarity, both management and employees must address omissions and exaggerations that distort information.

It is the responsibility of management, according to Beyerlein et al. (2003), to align support systems with the strategic design so that employees can communicate their requirements and frustrations. This will maintain an organization's efficiency and maximize its greatest resource: its employees. Moreover, other studies have discovered a direct correlation between communication transparency and employee performance (Dwyer, 2005). In addition, communication from colleagues that is supportive has been identified as a source of employee performance (Ducharme & Martin, 2000).

**A conceptual framework**

The conceptual framework for communication on employee performance presented here consists of 3 independent variables, 1= oral communication, 2=written communication, 3= non-verbal communication. Dependent variable is employee performance. Based upon these variables this study formulates following hypothesis and analysis as follows:-

**Figure:1**



**Hypothesis formulation**

- H1 : There is relationship between oral communication and employee performance.
- H2 : There is relationship between written communication and employee performance.
- H3 : There is relationship between non-verbal communication and employee performance.

**RESEARCH METHODOLOGY**

**Research design**

This study uses descriptive and analytical research design for achieving specific objectives of the research. This study is based on primary data obtained through a self-administered questionnaire to employees of pharmaceutical companies of Nepal.

**Sampling and Data Collection**

Data was collected through simple random sampling with a sample size of 115 employees from the population of employees working in pharmaceutical companies in Nepal. The study is based on the primary data collected through structured questionnaires. The total of 100 questionnaires were completely filled and returned.

All scales used in this study have been validated in previous studies. However, while all items (oral communication, written communication & non-verbal communication) were adopted from previous measures, they were modified to suit the context of this study. All measures have been measured on a five-point Likert-type scale from 1 = strongly disagree to 5 = strongly agree (Likert, 1932).

**Data Analysis**

The study uses descriptive statistics, correlation analysis, multiple regression analysis and independent samples t-test to examine the relationship between factors of communication & employee performance of pharmaceutical companies in Nepal.

**Results and Analysis**

This section deals with the detailed analysis of data collected with the help of a self-developed questionnaire; the data were analyzed using SPSS. The results are presented and discussed in the following sections.

**Table no.1**

| Correlations |        |         |        |        |      |     |
|--------------|--------|---------|--------|--------|------|-----|
|              | Mean   | S.D.    | EP     | OC     | WC   | NVC |
| EP           | 4.3143 | 0.53032 | 1      |        |      |     |
| OC           | 4.1857 | 0.47123 | .561** | 1      |      |     |
| WC           | 4.4571 | 0.43931 | .405** | .618** | 1    |     |
| NVC          | 3.9286 | 0.58662 | .110   | .372** | .195 | 1   |

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

The table 1 shows the level of employee performance among communication variables in pharmaceutical companies in Nepal. As per the mean scores, it is found that the pharmaceutical companies of Nepal are moderately satisfied with their employee performance in respect of all the independent variables of communication studied. In particular, the findings depict that employee performance of pharmaceutical companies in Nepal is relatively less satisfied with the communication variables of their institutions.

It is found that there is a significant and positive linear relationship between oral communication, and employee performance ( $r=0.561$ ); hence we can infer that oral communication is positively associated with employee performance. The relationship between written communication & employee performance has been found to be positive linear and significant ( $r= 0.405$ ), hence nature of written communication & employee performance also have positive relation. The non-verbal communication & employee performance are having positive linear and insignificant correlation ( $r=0.110$ ). So, we conclude that the relationship between both these variables is positive. Hence, all the communication variables are positively correlated with employee performance in Pharmaceutical Companies in Nepal.

Model Summary

| Model | R     | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------|----------|-------------------|----------------------------|
| 1     | .975a | .631     | .610              | .44063                     |

Predictors: (Constant), NVC, WC, OC

The study reveals that the independent variables i.e., oral communication, written communication & non-verbal communication, have a significant influence on employee performance in pharmaceutical companies. The value for R-squared is high in the case of communication variables ( $R^2 = 0.631$ ). It means 63.1% of the total variation in the dependent variable is due to independent variables, and 39.9% is due to other variables. It signifies that communication variables influence the employee performance of pharmaceutical companies in Nepal.

ANOVA

| Model |            | Sum of Squares | df | Mean Square | F      | Sig. |
|-------|------------|----------------|----|-------------|--------|------|
| 1     | Regression | 9.029          | 3  | 3.010       | 15.501 | .000 |
|       | Residual   | 18.251         | 94 | .194        |        |      |
|       | Total      | 27.280         | 97 |             |        |      |

a. Dependent Variable: EP

b. Predictors: (Constant), NVC, WC, OC

For the value of  $F=15.501$  which is significant at 1 percent level of significance, hence a significant model has emerged from the regression analysis.

Coefficients

| Model |            | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. |
|-------|------------|-----------------------------|------------|---------------------------|--------|------|
|       |            | B                           | Std. Error | Beta                      |        |      |
| 1     | (Constant) | 1.651                       | .511       |                           | 3.231  | .002 |
|       | OC         | .616                        | .128       | .547                      | 4.825  | .000 |
|       | WC         | .107                        | .130       | .089                      | .829   | .409 |
|       | NVC        | -.100                       | .082       | -.111                     | -1.221 | .225 |

a. Dependent Variable: EP

The result of the t-test statistic shows that characteristics of oral communication have a significant influence on employee performance of pharmaceutical companies in Nepal. Therefore, an alternative hypothesis is accepted H1: There is relationship between oral communication and employee performance. Thus, the findings say that there are good relations between oral communication and employee performance.

It is revealed from the findings that the influence of written communication and employee performance is insignificant. Thus, an alternative hypothesis is rejected H2 : There is a relationship between written communication and employee performance The written communication are not the determining factor to increase job employee performance.

The result of the t-test also revealed that there is an insignificant influence of non-verbal communication on employee performance. Hence, an alternative hypothesis is rejected H3: There is relationship between non-verbal communication and employee performance. Therefore, non-verbal communications do not affect employee performance.

## CONCLUSION

The main objective of the study is to see the impact of communication on employees performance of pharmaceutical companies in Nepal. The main aim of this research is to explore the relationship between communication variables (i.e., oral communication, written communication & non-verbal communication) and employee performance. The finding of this study provides empirical evidence to the management to ensure effective, oral, written & non-verbal communication in the pharmaceutical companies in Nepal. The results of the study showed only oral communication is significant impact on employee performance and both written and non-verbal communication have an insignificant impact on employee performance of pharmaceutical companies in Nepal.

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