COMMUNICATION AND ITS IMPACT ON CUSTOMER OUTCOMES IN PRIVATE BANKING SECTOR

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ABSTRACT

Organizational communication is often assumed to play an important role in the private banking sector. In this study the research design survey is a descriptive method. The population of this study was 399 respondents on which 145 respondents were employees and 254 respondents were customers of private sector banks in Gwalior. The main aim of this study is to explore the impact of organizational communication on the service performance of employees in a private banking sector. These findings will help scholars in understanding how organizational communication affects employee service performance with respect to customer outcomes.

Keywords: Organizational communication, employee service performance, customer outcomes.

INTRODUCTION

With globalization advancements in social, political, financial and innovative zones influence organizational and communal lives in a significant way. In accordance with these improvements, the executives are obliged to grow new management methods to battle significantly harder rivalry conditions. These procedures of modern management to an enormous degree expect to raise performance of employees to the communication power (Eroğluer, 2011). The activities that are covered by communication that an individual does when he needs to make a change in another person's mind. This is a significant connection between an individual or people and organization. According to (Banerji and Dayal, 2005) "Communication is a process that contains expressing, listening and understanding". Similarly, Oliver (1997) propounds that among two or more individuals communication is a way to exchange their thoughts, ideas and emotions through sematic, verbal and words. Communication plays an important role in every organization. For any organization it is important to recognize the human behavior in the workplace which has become one of the most organized tasks. This is because of significant changes like innovative/ technological and globalization advancement that result in the change of the structure of the business done, the workforce behavior and employee's management. To become effective or successful by keeping up the business best in the art, the organizations ought to adjust with these changes (Vercueil, 2001). Along these lines, it has gotten significant for employees to realize what propels their employees as opposed to emphasizing them to expand efficiency.

Notion of Communication

Nowadays communication is the most effective thing which is broadly running successfully in all organizations. To flourish any business or organization an effective communication is very essential and to succeed and discover satisfaction it is necessary to sit around idly and provide employees as well as customers with the important instruments. At the point when correspondence isn't powerful, the final product is an expansion underway and a

lessening of the primary concern. So as to stay away from this result, effective or viable communication must be set up (Joey, 2002). According to (Bowditch et al, 1997) "communication is the exchange of information between a sender and a receiver, and the inference (perception) of meaning between the individuals involved". Though it is not possible to define communication in a single sentence.

Types of Communication
- Interpersonal Communication
- Intrapersonal Communication
- Group Communication
- Public Communication
- Mass Communication
- Online or Machine Assisted Communication

Interpersonal Communication
"Interpersonal Communication means to interact with another person".

Intrapersonal Communication
"Intrapersonal Communication means to interact with oneself".

Group Communication
"It is a process of interacting with a limited number of others such as developing ideas, solving problems, making decisions, work to share information etc".

Mass Communication
"It is communicating to a large number of people using media such as television, newspaper, internet, radio etc".

Online or Machine Assisted communication
"It deals with communicating through the use of online software that is programmed to interact with browsers or users".

Communication may also be two types which are;
- **Verbal Communication**
- **Non-Verbal Communication**

Verbal Communication: In verbal communication one can transmit their messages through spoken words while communicating.

Non-Verbal Communication: In non-Verbal Communication, one can transmit their messages through signs, writing and body signals.

Communication plays an important role in organization as well as in everyday human life. Gamble and Gamble (2002) has stated that: "Communication is the core of our humanness", and that "how we communicate with each other shapes our lives and our world". Communication skills help people to connect with each other or to confront occasions that challenge our adaptability, expressiveness, critical thinking skills and integrity.

Impact of communication on employee service performance
In banks or in any organizations employees have generally spent most of their time to communicate with their higher authority as well as customers in one form or another such as face to face discussions, meetings, e-mails, reports, letters, memos etc.). Communication has become the imperative part of their work. In various different groups a viable management of production forms requires more prominent coordinated effort and collaboration among employees. Effective communication is more important while interacting with customers to make them understand about their policies, products etc. it may be ineffective if a customer is unable to understand all these things because of lack of communication and because of this the customer will not be satisfied by the employee performance that would impact the leading price of that particular organization. Nowadays in any organization communication practices have become more effective. Hence, it is important in all organizations to motivate their employees for better performance.

In present days, communication has become one of the most prominent and significant activities in organizations (Harris and Nelson, 2008). Communication enables people to organize activities to accomplish objectives, and it's indispensable in socialization, dynamic and critical thinking and change-the management forms. Internal communication likewise furnishes employees with significant data about their occupations, association, condition and one another. Communication can help in building trust, persuade, make shared personality and prod commitment; it gives an approach to people to communicate

feelings, share expectations and aspirations and celebrate and recollect achievements. Communication is the reason for people to understand their organization, what it is and what it implies.

Impact of Employee Service Performance on Customer Outcomes
In general, employee service performance refers to the behavior of an individual which is relevant to the goal of an organization. (Campbell, McCloy, Oppler, & Sager, 1993). In shaping the perception of customers about service quality depends upon the behavior of an employee as like how they treat their customer and how they complete their query directly affects the customer satisfaction. If the customer is satisfied by the service or performance given by employees then that customer will become loyal to that particular organization and if it doesn't then it directly affects the finances of that organization. Thus from service effectiveness, employee service performance is recognized which refers to the consequences of service performance, for example, customer retention and satisfaction. As the employees of an organization perform their work, they share relevant components that decide how successful they are. This study examines the employee service performance in the context of customer outcomes. Here the customer outcomes include the customer's perception of service quality, customer satisfaction and loyalty.

In this paper we studied the employee service performance on customer outcomes for two reasons. To begin with, most of the service encounters which have been experienced by the customers include their contributions and interactions from numerous employees. In this study, a customer's evaluation of their service experience which has been determined by the service performance of employees of a private bank. Accordingly, the employees of the bank work in a group to make service performance satisfactory for customers.

REVIEW OF LITERATURE
Venkatesh et al (2010) investigated the effect of Information and communication technology performance on employee's job. The finding of their study shows that there is a significant positive relationship between information and communication technology on job characteristics of employees. Following the

information and communication technology (ICT) implementation, employees were not that much satisfied with their job and had lower performance.

Anitha (2014) studied the employee engagement importance. Furthermore, distinguishes different aspects that significantly affect it. It likewise shows that there is a connection between employee engagement and performance. The objective of this paper is to distinguish the key determinants of employee engagement and their consistency of the idea. It additionally identifies the effect of employee engagement on performance of an employee. The findings of this study show that all the distinguished factors were indicators of employee engagement. In any case, the factors that had a significant effect were the team, co-worker and working environment relationship.

Baker et al (2014) developed a two process model dependent on the theories of internalization and identification to clarify how brand relevant information which is internally disseminating helps in enhancing performance of frontline employees. Using the multi-source data information from the managers, employees and customers of a B2B firm in the industry of hospitality, researchers found that giving information related to brand-specific directly to frontline employees helps in enhancing their identification with the brand (as evidenced in perceptions of firm authenticity) and also helps in increasing their brand values internalization. Results of this study shows that organizations should put forth an extra effort to communicate brand specific related information to frontline employees if they want performance of brand-consistency that is perceptible to customers and managers alike.

Jacobs et al (2016) investigated that from the point of view of social capital theory the impact of internal communication and satisfaction of an employee on supply chain integration. In this study data was taken from the context of the emerging markets. The findings of this study shows that on external integration, there is a direct and positive effect of internal communication. While, through internal integration, external integration indirectly affects by the employee satisfaction.

Bezen & yoo (2016) suggested that the sort of communication channel which is used by loyalty program members of a hotel which impacts their communication style perception and quality of information. The result of this study shows that choice of communication channel significantly affects perceived communication style and quality of an information.

Kang & Sung (2017) examined how a symmetrical internal communication of a company endeavours could impact the relationship outcome's perception of its employees with the organization or company and the ensuing communication behaviours of an employee about the organization to other people and their turnover intention. Along with this, the mediation effects of EOR (employee-organization relationship) were also tested between employee engagement and symmetrical internal communication.

Jha et al (2019) analysed that in a trade show setting, the key upstream and downstream connections around customer orientation focal construct. On the upstream, findings show that on customer orientation service leadership positively directs service technology effect. Moreover, to affect customer orientation, service leadership adversely interacts with empowerment. The main impact of service technology, job satisfaction empowerment and service leadership, on the downstream are mediated by the orientation of customers.

Hee et al (2019) examined types of communication (horizontal communication, downward communication and horizontal communication) that affect employee performance. The findings can give bits of knowledge and significant data to the firms of property development to all the more likely comprehend the significance of communication among employees in improving employee performance. The findings of this paper show that there is a significantly positive relationship among horizontal communication and performance of an employee.

OBJECTIVE OF THE STUDY
● To study the impact of organizational communication on employee service performance.

● To study the impact of employee service performance on customer outcomes.

Research Gap of the Study

This research bridges the gap between organizational communication and the performance of employee service and employee service performance and customer outcomes, i.e., customer satisfaction and customer loyalty. As this is the first research performed in the Gwalior district on these variables. We, therefore, developed and tested an employee service performance framework and analysed the effect of organizational communication on the performance of employee service with respect to customer outcomes.

Hypothesis
H1: There is significant relationship between organizational communication and employee service performance.
H2: There is no significant relationship between employee service performance and customer loyalty.
H3: There is no significant relationship between employee service performance and customer satisfaction.

RESEARCH METHODOLOGY

Proposed Model of the Study
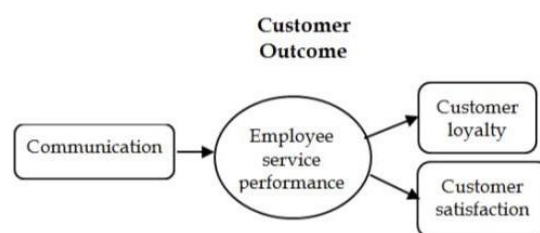
Sample Design
Population
Population included employees and customers of private banks in Gwalior.

Sampling technique
Probability Random Sampling

Sample size
Total 399 respondents were taken in this study. On which, 145 respondents were employees and 254 respondents were customers of a private bank in Gwalior city.

Tools For Data Collection
- 5 point Likert scale

Data Analysis Tools
- Composite reliability, convergent validity, HTMT, Fornell-Larcker

RESULTS AND DISCUSSION

Measurement Model Assessment

The research analysed the outer model based on ADANCO measurement model analysis to evaluate internal reliability and convergent validity. The study used confirmatory composite analysis in ADANCO 2.0.1 for structural equation modeling.

The findings display the cross-loading of all indicator variables. The results demonstrate that the metrics have higher values for their corresponding endogenous variables compared to other variables. It validates that the latent variables in each construct reflect the assigned latent variable and establishes the discriminant validity of the measurement model.

According to above table:2, the inner reliability was evaluated by Cronbach's Alpha value. In reliability we can consider 0.60. It is good, if it ranges between "0.70 to 0.90" (Hair et al. 2020, 2019, 2017). Hence Cronbach's alpha value of communication, employee service performance, customer loyalty, & customer satisfaction, all latent variables and total item correlation are above threshold limit.

Next, with composite reliability, convergent validity was checked, Here after study analysed that composite reliability of all the constructs are above threshold limit 0.7 Hair et. al., 2017, so that it can be supposed that all constructs have a high degree of internal consistency as values are showed in table 2.

The Rho A value has been defined in Dijkstra et al., 2015; Hair et al., 2019; which needs a threshold limit of 0.70, here the values are communication, employee service performance, customer loyalty, customer satisfaction all values of Rho_A are above the minimum criteria. Eventually, the convergent validity was also established with AVE values was also tested, which were above the specified limit of 0.50 Hair, et al; 2019; Fornell & Larcker; 1981.

After convergent validity, the discriminant validity has been verified by the assumption as per the criteria of Fornell & Larcker's 1981, discriminant validity assists to calculate the amount of variation measured by the latent variables and to analyse shared variance with other latent variables. Therefore, the bold number in table: 3 are obtained from the

Table: 1 Cross Loadings of constructs

Indicator	communication	ESP	customer loyalty	customer satisfaction
comm1	0.8661	0.1981	0.0556	0.1904
comm2	0.8661	0.2553	0.1864	0.3458
ESP1	0.1841	0.6018	-0.1346	-0.0074
ESP2	0.2671	0.8510	0.0401	-0.0042
ESP3	0.2219	0.7905	-0.0566	0.1043
ESP4	0.1880	0.8486	-0.0516	0.0175
ESP5	0.1838	0.8639	-0.0429	-0.0080
CL1	0.1738	-0.0281	0.9154	0.3074
CL2	0.0368	-0.1129	0.9282	0.4239
CL3	0.1726	-0.0035	0.8718	0.3800
CS1	0.1777	0.0242	0.2911	0.5624
CS2	0.2080	0.0277	0.4852	0.7606
CS3	0.2410	0.0154	0.2703	0.8954
CS4	0.3046	0.0141	0.2097	0.7692

Table:2 Construct Reliabilities & Convergent Validity (AVE)

Construct	Dijkstra-Henseler's rho (ρA)	Jöreskog's rho (ρc)	Cronbach's alpha(α)	Average variance extracted (AVE)
communication	0.6670	0.8573	0.6670	**0.7502**
ESP	0.8676	0.8957	0.8520	**0.6356**
Customer loyalty	0.8914	0.9317	0.8898	**0.8199**
Customer satisfaction	0.7740	0.8391	0.7402	**0.5721**

results of the square root value of AVE in the latent variable.

The major dimension of discriminant validity was determined by evaluating Heterotrait - Monotrait ratio of correlations via a threshold ratio of 0.85 Ringle and Sarstedt 2015; Henseler et al., 2015. According to Gold et al., 2001 suggested 0.9 as appropriate validity. In this research, the Heterotrait - Monotrait ratio of correlations results were predicted by using above formula and the results found that almost all values were less than the threshold point of 0.85, thereby defining the individuality of all latent variables according to the statistical criteria shown above in Table 4.

The path coefficients analysis displays a significant, conceptual and theoretical connection between all the experimental results on input and output sides of both the framework. In additional, the structural model was used to determine one or more predicated links as theorized in model building (Hair, et al; 2017, 2014). Hence the bootstrapping method has been used identify the p-values for framed hypothesized relationships (Hair, et al; 2020). The analysis of hypothesis can be done only after identifying the VIF standards of latent variables. The variance inflation factor (VIF) standards found to be below 3.33 (Diamantopoulos et al., 2008) were reported. The internal VIF value in study was calculated to be below the specified threshold limit the

Table:3 Discriminant Validity: Fornell-Larcker Criterion

Construct	First construct	ESP	Customer loyalty	Customer satisfaction
First construct	**0.7502**			
ESP	0.0685	**0.6356**		
CL	0.0195	0.0029	**0.8199**	
CS	0.0958	0.0007	0.1673	**0.5721**

i.e: ESP = Employee Service Performance, CL= Customer Loyalty, CS=Customer Satisfaction

Table 4: Discriminant Validity: Heterotrait-Monotrait Ratio of Correlations (HTMT)

Construct	First Construct	ESP	Customer loyalty	Customer satisfaction
First construct				
Employee service performance	0.3497			
Customer loyalty	0.1831	0.0700		
Customer satisfaction	0.4420	0.0336	0.5166	

Table: 5 Structural Model Assessments

Indicator	communication	ESP	customer loyalty	customer satisfaction
comm1	1.3341			
comm2	1.3341			
ESP1		1.3338		
ESP2		2.6304		
ESP3		1.9080		
ESP4		2.6168		
ESP5		2.4862		
CL1			3.0526	
CL2			3.3308	
CL3			2.1276	
CS1				1.2410
CS2				1.4781
CS3				2.4886
CS4				1.9361

table below is giving VIF value and all the values are below 3.33

After analysing VIF in measurement models, the next stage was to verify the significance and importance of the predictor variables, which must have ranges between-1 & +1 by implementing the bootstrapping method through 5000 subsamples in the Partial Least Square Algorithm. The measurement of the structural equation model and the testing of hypotheses is quite well explained in Table 6.

impact as the β is **0.0277** which is not significant at significance level of **0.8077.**

The next step there is a determination of coefficient (R^2) which describes the predictive accuracy of the endogenous variable and is determined the squared link among the actual and predicted values of the particular endogenous variable (HairJf et al;2014).

The (R^2) indicates the percent of variation in the endogenous latent variables explained by these exogenous variables connected to all of
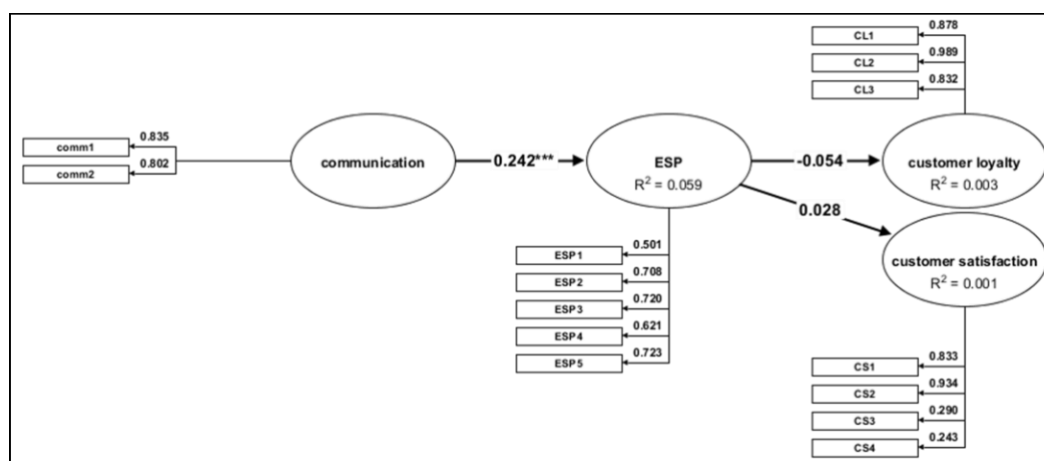

Figure 1: Structural Model Assessments

Table 6: Structural Model Assessment

Effect	Original coefficient	Standard bootstrap results					Decision
		Mean value	Standard error	t-value	p-value (2-sided)	p-value (1-sided)	
communication -> ESP	0.2421	0.2417	0.0705	3.4352	0.0006	0.0003	supported
ESP -> customer loyalty	-0.0540	-0.0345	0.0993	-0.5442	0.5865	0.2932	Not supported
ESP -> customer satisfaction	0.0277	0.0140	0.1136	0.2435	0.8077	0.4038	Not supported

Table 6: demonstrate the findings of the model assessment, the table revels that there is a substantial impact of communication on employee service performance (ESP) β: **0.2421** is significant at **0.0006** level of significance, therefore the supporting the hypothesis that there is impact of communication on ESP. The next relationship between employee service performance (ESP) and customer loyalty is not showing the impact as the significance level of **0.5865** at which β: **-0.0540** is not significant which is higher than 0.05 level of significance. The result of employee service performance on customer satisfaction also not having the

it. The R^2value varies from {0 to 1}& a value closer to 1 suggests high level of accuracy (HairJf et al;2014).

The table below is showing R^2 values of different constructs.

Construct	Coefficient of determination (R^2)	Adjusted R^2
ESP	0.0586	0.0549
customer loyalty	0.0029	-0.0011
customer satisfaction	0.0008	-0.0032

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The next step is to evaluate the effect of f2, if the exogenous construct is eliminated from the model, the difference in the R-square is used to measure if the eliminated construct has a significant effect on the endogenous latent variables HairJf et al;2014.

To identify the model fit the value of SRMR is to be checked which helps to determine the average significance differences between both the actual and the predicted correlations as an actual measure of the model fit evaluation criteria. As according to Hairetal; 2014 the value less 0.08 is measured as good fit criteria. Therefore, the study examined SRMR value i.e. 0.065which specify that the model is good fit.

The table below is giving Value for SRMR

Goodness of model fit (saturated model)

	Value	HI95	HI99
SRMR	0.0973	0.1329	0.1560
d$_{ULS}$	0.9944	1.8539	2.5551
d$_G$	0.3582	0.6216	0.9408

LIMITATION OF THE STUDY
To begin with, the research was limited to a single location and focused solely on private banks.

Second, though this study only looked at a few variables, future research should look at other variables to see how they affect an employee's service performance.

FUTURE SCOPE OF THE STUDY
In this study we have seen that employee service performance is not proportional directly to customer satisfaction and customer loyalty. So, it is believed that this study can be used to imply the further policy changes that irrespective of the employee service performance with respect to customer outcomes.

CONCLUSION
Data were analysed by using composite reliability, HTMT, and Fornell-Larcker. These tests are applied to find the effect of organizational communication on employee service performance and the effect of employee service performance on customer outcomes. This study concludes that the result of the study shows the significant impact between organizational communication and employee service performance. But also shows that there is no significant relationship between employee service performance and customer outcomes (customer loyalty and customer satisfaction).

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