

# **THE INFLUENCE OF COMMUNICATION ON EMPLOYEE PERFORMANCE**

**R. Rita Avianty**

Faculty of Economics, Sangga Buana University, Indonesia  
[rita.avianti@usbypkp.ac.id](mailto:rita.avianti@usbypkp.ac.id)

**R. Rina Novianty Ariawaty**

Faculty of Economics and Business, Padjadjaran University, Indonesia  
[rina.novianty@unpad.ac.id](mailto:rina.novianty@unpad.ac.id)

**Siti Noni Evita**

Faculty of Economics and Business, Padjadjaran University, Indonesia  
[Sitinonievita@yahoo.com](mailto:Sitinonievita@yahoo.com)

## **Abstract**

This research aims to determine and explain the influence of communication vertically from top to bottom, communication from bottom to top, and lateral (horizontal) communication on the performance of employees at PT United Tractors Tbk, Bandung Representative Office. The research method used is a descriptive verification method with a quantitative approach. Data collection is done using a questionnaire as the research instrument, and the population in this study consists of all PT United Tractors Tbk and Bandung Representative Office employees, totaling 17 people. This research uses the Pearson Product Moment correlation coefficient method for validity and hypothesis testing, and it employs Cronbach's Alpha method for reliability testing. The results of this research show a positive influence of communication on the performance of employees at PT United Tractors Tbk, Bandung Representative Office.

Keywords: Communication and Employee Performance

## **1. Introduction**

PT United Tractors Tbk is Indonesia's largest heavy equipment distributor, providing products from world-renowned brands such as Komatsu Forest. Apart from selling heavy equipment units, PT United Tractors focuses on selling genuine parts and providing educated and trained mechanics.

The phenomenon observed at PT United Tractors Tbk, Bandung Representative Office, is a decline in employee performance based on initial observations and interviews within the company. Several factors cause the employee-related issues. Employee performance decreases primarily due to ineffective communication between superiors and subordinates. This is reflected in employees misinterpreting the information they receive, leading to errors when conveying it to the next party, subsequently affecting the outcomes. This issue becomes apparent in the employee's speed in tasks and problem-solving, which tends to be slow due to the lack of direct communication. Communication primarily occurs through a dashboard, making it challenging for employees to comprehend tasks. Consequently, this may contribute to the suboptimal completion of their work. Psychological factors such as emotions, egoism, a lack of openness among employees, and feelings of pressure disrupt effective communication and concentration on their tasks. Ultimately, the company's goals become difficult to achieve. The level of collaboration among employees is also lacking, as employees often focus on their tasks without much interaction. Providing extra work (overtime) to employees further reduces communication between coworkers. This research aims to investigate and address these issues, particularly the impact of communication on employee performance at PT United Tractors Tbk, Bandung Representative Office.

### **1.1 Objectives**

This research aims to examine and analyze:

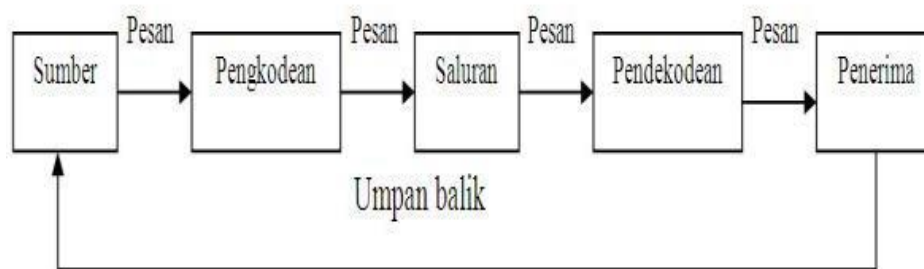
1. Overview of existing communications at PT United Tractors Tbk Bandung Representative
2. Overview of employee performance at PT United Tractors Tbk Bandung Representative
3. The influence of communication on the performance of PT United Tractors Tbk Bandung Representative

## **2. Literature Review**

### **2.1. Communication**

Stephen P. Robbins (2015:223) states that communication involves transmitting and understanding meaning. In perfect communication, a thought is conveyed so that the receiver can comprehend it with the same mental image intended by the sender. Ig Wursanto (2001:31) defines communication as "the process of delivering news/information that carries meaning from one party (an individual/place) to another party (an individual/place) to achieve mutual understanding." According to Pawito and Sardjono (2009:12), communication is a process in which a message is transferred or conveyed (through a channel) from a source to a receiver to change behavior alter knowledge, attitudes, or other behaviors. At the very least, four main elements can be found in the communication model: the source, the message, the channel, and the receiver. DeVito (2000:12) suggests that communication is a transaction. By transaction, he means that communication is a process in which the components are interconnected, and communicators act and react as a unified whole. In each transaction process, elements are integral to one another.

### **2.2. Communication Process**



Source: Robbins (2002:311)

### **2.3. Direction of Communication**

Stephen P. Robbins (2015:225-226) states that communication can occur vertically and laterally (horizontally).

#### **2.4. Vertical**

- **Downward**

Communication from a specific level within a group or organization to a lower level is called downward communication. When we imagine managers communicating with their subordinates, downward communication is the pattern we typically expect. Company leaders and managers use this pattern to achieve their goals, such as giving work instructions, informing employees of rules and applicable procedures, identifying issues that require attention, and providing feedback on performance. However, this form of communication does not always have to be oral or face-to-face. For example, when the Board of Directors sends a letter containing information about new leave regulations to an employee's home, this constitutes downward communication.

- **Upward**

Upward communication flows to higher levels within a group or organization. This pattern provides feedback to superiors, informs them about progress toward work goals, and conveys current issues. Communication in this form helps managers stay attuned to employees' feelings about their work, colleagues, and the company. Company managers rely on this communication to gather insights and connect with ideas for improving performance.

Some examples of this type of communication include performance reports prepared by lower-level managers for review by middle and upper-level managers, suggestion boxes, employee attitude surveys, procedures for submitting complaints, meetings between leaders and subordinates, informal meetings where employees can express complaints and discuss issues with their superiors or higher-level representatives.

#### **2.5. Lateral (Horizontal)**

When communication occurs among members of the same workgroup, between members at the same level, among managers at the same level, or among peers of equal status, it is referred to as lateral (horizontal) communication. Why is lateral communication needed if vertical communication within a group is still effective? The answer is that lateral communication can save time and simplify coordination. In some cases, lateral communication can be formally sanctioned. Informal lateral communication is often established to bypass vertical lines of authority and expedite decision-making. So, from a management perspective, lateral communication can be both good and bad. This is because strict adherence to formal vertical communication structures can hinder efficiency and the accuracy of information dissemination, making lateral

communication more appropriate. In such cases, lateral communication may proceed with the knowledge and support of superiors. However, such communication can lead to dysfunctional conflicts when formal vertical relationships are violated, when members turn to or side with superiors to resolve everything, or when superiors discover actions have been taken or made without their knowledge.

## **2.6. Employee Performance**

Mathis and Jackson (2006:65) state that performance is what employees do or do not do. Performance management encompasses all activities aimed at improving the performance of a company or organization, including the performance of individual employees and workgroups within the company. Moeherson in Rosyida (2010:11) defines employee performance as the results that an individual or group of people can achieve within an organization, both qualitatively and quantitatively, by their authority, tasks, and responsibilities, to achieve the objectives of the organization, legally, without violating the law and by moral or ethical standards. Pabundu Tika (2006:121-122) states that performance is the result of the work/activities of an individual or group in an organizational activity influenced by various factors to achieve the organization's goals within a specific period. The work or activities referred to here are the implementation of the work or activities of an individual or group that falls under their authority and responsibility within an organization. The implementation of job performance is directed toward achieving the organization's goals within a specific time frame. Veithzal Rivai (2009:549) suggests that performance is the tangible behavior displayed by each person as work achievement produced by employees by their roles in the company.

## **2.7. Performance Indicators**

Performance indicators are sometimes used interchangeably with performance measures, but many differentiate between them. Performance measures are related to quantifiable outcomes and seek data after the event, while performance indicators are used for activities that can be more qualitatively defined based on observed behavior (Wibowo, 2010). According to Mathis and Jackson (2006:378), performance indicators include:

1. Work Quality.

Providing quality products and services is a requirement for a company to survive in various forms of competition. Ideal work results also reflect the quality of product and service management within the organization.

2. Work Quantity.

Companies that can meet predetermined targets demonstrate the organization's ability to manage its available resources in achieving its goals.

3. Work Time

The organization's ability to set work hours that are considered most efficient and effective at all management levels. Work time is the basis for employees to complete tasks or services within their responsibility.

4. Collaboration with Colleagues

Collaboration is a requirement for a company's success in achieving its established goals because good collaboration builds trust among various stakeholders, whether directly or indirectly associated with the company.

Robbins (2006:260) identifies five individual performance indicators for measuring employee performance:

1. Quality

Work quality is measured based on employees' perception of the quality of the work produced and the perfection of tasks about the employee's skills and abilities.

2. Quantity

It refers to the amount produced and can be expressed in terms such as the number of units and completed activity cycles.

3. Timeliness

Timeliness measures the level of activities completed on time, viewed from the perspective of coordination with the output and maximizing the available time for other activities.

4. Effectiveness

Effectiveness measures the degree to which an organization's resources (labor, money, technology, raw materials) are maximized to increase the output of each unit's resource usage.

5. Independence

Independence measures how employees can perform their job functions with a commitment to work. It represents the level at which employees commit to the organization and their responsibilities.

## **2.8. Framework of Thought**

United Tractors (UT) is a leading heavy equipment distributor in Indonesia, with an extensive distribution network that includes 18 branch offices, 22 site support offices, and 12 representative offices in 22 provinces across the country—the observed phenomenon in PT. United Tractors Tbk Bandung Branch is the lack of communication between superiors and

subordinates, resulting in decreased employee performance and suboptimal output. Employees often misinterpret the information they receive, leading to errors when conveying it to the next party. Psychologically, emotional instability, selfishness, lack of openness among employees, feelings of pressure, and more affect communication effectiveness. Overtime work reduces interactions among employees, and the speed at which employees perform tasks and solve problems tends to be slow. Team collaboration is also lacking, with employees focusing on tasks without much interaction. The direct communication between employees is insufficient, primarily relying on a dashboard, leading to difficulties in understanding their tasks.

As Stephen P. Robbins (2002:145-146) described, communication involves the transmission and understanding of meaning. There are various directions in communication: upward, downward, and horizontal. The indicators for upward communication include work reports, the delivery of inspiration, and complaint submission. The indicators for downward communication include information availability, accuracy, openness in receiving opinions, and clarity.

According to Mathis and Jackson (2001:78), employee performance is fundamentally about what employees do or don't do. According to Mathis and Jackson (2002:378), employee performance in the company encompasses dimensions like work quality, work quantity, work timeliness, and cooperation with coworkers. The quality of work indicators includes service quality, work accuracy, and work precision. Quantity of work indicators includes output and overtime work. Timeliness of work indicators includes work duration and time efficiency. The cooperation indicator measures cooperation with coworkers. According to Robbins (2013), communication aids in motivating employees by explaining what needs to be done, how to work effectively, and what is being done to improve performance if it falls below the standard.

Several studies have found a direct positive relationship between communication and employee performance. Trijaya's research (2012) indicated that compensation, training, and communication significantly affect employee performance, with compensation being the dominant variable. Hariyati and Primawesri (2011) noted that motivation and communication positively impact employee performance through organizational commitment. Meanwhile, Rachmadi's study (2010) found that motivation, participation, and communication significantly affect employee performance. Luthas, as cited in Aftoni Sutanto (2010:124), highlighted that communication is one of the factors influencing employee performance. Effective communication can influence employee performance through good supervision, where supervisors communicate with employees. James G. Robbins and Barbara S. Jones, in their book "Effective for Today's Manager" (as cited in Arif Sehfudin, 2011), stated, "Communication is a behavior, act, or activity of conveying or operating symbols that carry meaning." Pace and Faules (as cited in Arif Sehfudin, 2011) expressed that employees with better information will become better employees. Based on the above opinions, it can be concluded that good communication will make employees better, meaning that these employees can perform their tasks well.

The framework model can be illustrated as follows:

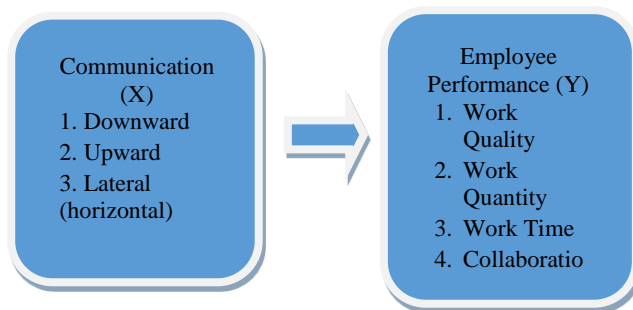


Figure 1. Research Framework

### **3. Methods**

The method used in this research is descriptive and verificative research methods. The descriptive method describes and explains the facts and the population's characteristics based on systematically collected data, which are subsequently analyzed to draw conclusions and answer the research questions about incentives and work motivation. On the other hand, the verificative method is employed to test the truth by using statistical calculations to determine the extent of the influence of incentives and employee work motivation.

### **4. Data Collection**

Data in this study were collected using several data collection techniques, including:

- a. Observation
- b. Questionnaire
- c. Interview
- d. Literature Study

### **Validity and Reliability**

Validity testing was performed on both variables, communication, and employee performance. The Product Moment correlation formula was used to test the items' validity. The validity testing results indicate that: 1) For the communication variable, with a total of 15 items, it is considered valid with a value  $\geq 0.3$ ; and 2) For the employee performance variable, with a total of 15 items, it is considered valid with a value  $\geq 0.3$ . Reliability testing was conducted on both communication and employee performance variables. To test reliability, the Alpha Cronbach method was used with SPSS. The reliability testing results show that: 1) For the communication variable, a value of 0.779 was obtained, which is  $\geq 0.600$ , indicating reliability; and 2) For the employee performance variable, a value of 0.924 was obtained, which is  $\geq 0.600$ , also indicating reliability.

## **5. Results and Discussion**

Characteristics analysis was conducted to obtain an overview of individual data, which includes age, highest education, length of employment, and gender of the respondents. Research on the characteristics of the respondents based on these categories was conducted to obtain an identity overview of the respondents. The total sample used in the research is 17 employees, or  $n=17$ . The characteristics analysis revealed that: 1) Respondent age results indicate that individuals between the ages of 21 and 40 are generally considered productive for achieving good work results; 2) Respondent's highest education showed that having an S1 education level can meet the needs of companies that rely on employees to understand and fulfill company requirements; 3) Length of employment results showed that working for more than ten years can indicate that employees are considered loyal to the company; and 4) Gender of respondents, with a predominance of males because they are considered more capable and knowledgeable about the work at PT United Tractors Tbk.

### **5.1. Communication Analysis**

By the calculation results and descriptive analysis, the employees' responses regarding communication at PT United Tractors Tbk Bandung Representative can be seen in the table below:

Dimension	Respondent Answer Score	Respondent Answer Scale	Respondent Answer Percentage
Downward Communication	652	Very High	85.22%
Upward Communication	502	Very High	84.36%
Lateral Communication	452	Very High	88.62%
Total	1606		

Source: Results Data Processing, June 2017

Based on the table above, it can be determined that employee communication at PT United Tractors Tbk, Bandung Branch, falls into the "very high" category with a score of 1606, which is within the range of scores from 1570 to 1869, representing 85.88% of the total percentage. Considering the three dimensions of communication, it can be concluded that employee communication at PT United Tractors Tbk, Bandung Branch, can be considered effective.

### **5.2. Employee Performance Analysis**

According to the results of calculations and descriptive analysis, the responses of employees regarding employee performance at PT United Tractors Tbk Bandung Representative Office can be seen in the table below:

Dimension	Respondent Answer Score	Respondent Answer Scale	Respondent Answer Percentage
Kualitas Kerja	509	High	74.85%
Kuantitas Kerja	208	High	81.56%
Waktu Kerja	130	High	76.47%
Kerjasama dgn Rekan Kerja	148	Sangat Tinggi Very High	87.05% 87.05%
Jumlah	995		

Source: Results Data Processing, June 2017

Based on the table above, it can be determined that the employee performance at PT United Tractors Tbk Bandung Representative Office is in the high category with a score of 995, which falls within the range of 867 - 1071, with a percentage of 78.03%. Considering the four dimensions of employee performance, it can be concluded that the performance at PT United Tractors Tbk Bandung Representative Office is already high.

### **5.3. The Influence of Communication on Employee Performance**

The correlation analysis is used to determine the influence of communication on employee performance because the data in this study is in ordinal form.

### **5.4. Product Moment Correlation Coefficient**

The correlation coefficient of the communication variable (variable X) in influencing employee performance (variable Y) is 0.133, indicating a positive relationship between variables X and Y because it falls within the range of 0 - 1. However, the value of 0.133 suggests that, according to the degree of correlation by Sugiyono (2011:231), this relationship is very low. Therefore, based on this measurement, it can be observed that communication has a very low impact on employee performance.

### **5.5. Coefficient of Determination**

To determine how much the independent variable (X) contributes to the dependent variable (Y), the coefficient of determination analysis is used as follows:

$$Kd = R^2 \times 100\%$$

$$Kd = (0.133)^2 \times 100\% = 1.7689\%$$

The analysis above shows that the contribution of the communication variable (X) to the employee performance variable (Y) is 2%. The remaining 98% is influenced by other factors besides communication, such as rewards, workload, training, leadership style, and organizational structure.

### **5.6. Correlation Coefficient**

Hypothesis testing in this study uses the t-test to determine whether the correlation coefficient obtained is significant. Using the t-test formula, the result is as follows:

$$t = r\sqrt{n-2}\sqrt{1-r^2}$$

$$t = 0.133\sqrt{17-2}\sqrt{1-0.133^2} = 0.51972$$

To conclude whether  $H_0$  (null hypothesis) is accepted or rejected, the calculated t-value is compared with the critical value in the t-distribution table.  $H_0$  is rejected or accepted if  $t_{hitung} > t_{tabel}$  with  $df = n - 2$ , ( $\alpha = 0.05$ ), and using the calculated value above, the  $t_{tabel}$  is 1.75305, and  $t_{hitung}$  is 0.51972. Therefore,  $H_0$  is rejected, and  $H_1$  (alternative hypothesis) is accepted. Based on the results of the hypothesis testing above, it can be concluded that communication influences employee performance at PT United Tractors Tbk Branch in Bandung. There is a significant relationship, but the relationship is very weak between communication and employee performance. The t-test indicates that the relationship between the communication variable and employee performance is positive, as seen from the positive coefficient.

## **6. Conclusion**

- Communication at PT United Tractors Tbk Branch in Bandung falls into the effective category, with a percentage of 85.88%. This indicates that communication is well-implemented within the company.
- Employee performance at PT United Tractors Tbk Branch in Bandung is high, with a percentage of 78.03%. Employees at PT United Tractors Tbk Branch in Bandung achieve the company's objectives well.
- Communication has a positive relationship with employee performance at PT United Tractors Tbk Branch in Bandung, indicating a very weak communication influence on employee performance, which amounts to 2%.

## **References**

- Adisty, Suwito. 2004. *Komunikasi: Tinjauan Teori dan Praktek*. Jakarta: Publisher Pustaka Binaman.
- Arni, Muhammad. 2005. *Komunikasi Organisasi*. Jakarta: Bumi Aksara.
- Arni, Muhammad. 2009. *Komunikasi Organisasi Edisi kedelapan*. Jakarta: Bumi Aksara.
- Azwar, S. 2001. *Metode Penelitian*. Yogyakarta: Pustaka Pelajar.
- Baden Eunson, *Communicating in the 21st Century*. (accessed on <https://aliyahnuraini.wordpress.com/2009/03/24/arah-komunikasi-dalam-organisasi-horizontal-diagonal-upward-downward/comment-page-2/> on March 15, 2017)
- Bambang S. Soedibjo. 2005. *Metodologi Penelitian*. Bandung: Universitas Nasional Pasim.
- Berger, Emerson dan Calabrese, Robert, 2014. *Interpersonal Communication: Application of Practice Theory*. New York: Publisher John Wiley and Sons

- Bower, Jr, dan Nisbith, Tubbs, 2013, *Human Communication*, Fourth Edition. New York: Random House Inc.
- Dessler, G. 2002. *Manajemen Sumber Daya Manusia jilid 2 (Edisi Indonesia)*. (Terjemahan Mulan, B). Jakarta: Prenhallindo
- Dessler, G. 2015. *Manajemen Sumber Daya Manusia*. Edisi 14. Jakarta: Salemba empat
- Devito, Joseph A. 2008. *The Interpersonal Communication*. Book Eleventh Edition. USA: Pearson Education. Inc.
- Djokopranoto, Syahdana, 2009. *Kinerja Perusahaan dalam Tinjauan Perspektif*. Bandung: Tarsito
- Fajar, Harif, 2009. *Manajemen Komunikasi Antar Pribadi dalam Perusahaan: Aplikasi Teori*. Jakarta: Publisher Elex Media Komputindo.
- Festus Femi, ASAMU (Ph.D). 2014. *The Impact of Communication on Worker's Performance in Selected Organisations in Lagos State, Nigeria*. Nigeria
- Hamdani, HT. 2000. *Komunikasi dan Kinerja Perusahaan*. Jakarta: Pustakajaya
- Hasibuan, P. Malaju, 2003. *Manajemen Sumber Daya Manusia Terpadu*. Jakarta: Gunung Agung  
<https://unitedtractors.com> (accessed on March 1, 2017)
- Koch, Berk, 2016. *Organization and Management*. London: Routledge and Kegan Paul
- Kusmawardi, Heri. Pengaruh Komunikasi Kerja dan Komunikasi Interpersonal Terhadap Kinerja Karyawan. Surabaya
- Landy, Anderson and Fart, Gordon, 2008. *Managing Performance Appraisal System*. UK: Strathclyde Business School
- Liliwari, Langevelo, 2009. *Development of HRM Communication*. New York: Published by Thompson
- Malayu, S.P Hasibuan. 2003. *Manajemen Sumber Daya Manusia*. Jakarta: Bumi Aksara
- Malayu, S.P Hasibuan. 2007. *Manajemen Sumber Daya Manusia*. Jakarta: Bumi Aksara
- Mangkunegara, Anwar Prabu. 2012. *Manajemen Sumber Daya Manusia Perusahaan*. Bandung: PT Remaja Rosdakarya
- Mangkunegara. 2002. *Manajemen Sumber Daya Manusia Perusahaan*. Bandung: PT Remaja Rosdakarya,
- Nasrul, Nazir, 2006. *Komunikasi dalam Tinjauan Kepuasan SDM*. Jakarta: Publisher Erlangga
- Okta Ardiansyah, Dimas. Pengaruh Komunikasi Terhadap Kinerja Karyawan Dengan Dimediasi Oleh Kepuasan Kerja. Malang
- Rivai, Veithzal. 2005. *Manajemen Sumber Daya Manusia Untuk Perusahaan dari Teori ke Praktik*. Jakarta: PT Raja Grafindo Persada

## **Biography**

**R. Rita Avianty** graduated with a Master's in Accounting from Padjadjaran University, Indonesia. She is a lecturer at the Faculty of Economics, accounting department, Sangga Buana University, Indonesia. Her research interests are Human Resources, Finance, and Entrepreneurship.

**R. Rina Novianty Ariawaty** is an associate professor in the Faculty of Economics and Business at Padjadjaran University, Indonesia. She earned a Master's in Agricultural Companies in the Postgraduate Program at Padjadjaran University in 2000. Then, he earned a Doctorate in Human Resources Management in 2009 from the Postgraduate Program at Padjadjaran University. He has worked as a lecturer at the Faculty of Economics and Business (FEB), Padjadjaran University since 1991. His fields of study are Human Resources Management, Organizational Behavior, Management Information Systems, Management and Business. He is active and productive in producing scientific work which is published in various journals both at home and abroad. He also often serves as a consultant for government and private institutions. is a lecturer in the economics department of the Faculty of Economics and Business, University of Padjadjaran, Indonesia.

**Siti Noni Evita** is a lecturer in the Faculty of Economics and Business at Padjadjaran University, Indonesia. Her research interest is in Human Resource Management and Organizational behavior. She earned a Master's in Management in the Postgraduate Program at the University of Indonesia.