

THE ROLE OF ICT ON ORGANIZATIONAL COMMUNICATION IN THE KENYAN BANKING
SECTOR: A CASE STUDY OF EQUITY BANK

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DECLARATION

This research project is my original work and has not been presented to any other University for a degree award or anywhere else for academic purposes.



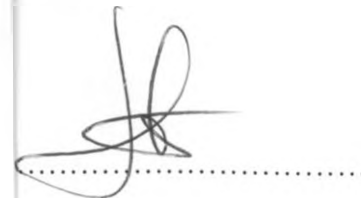
12.11.09

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This project has been submitted for examination purposes with my approval as the University supervisor.



12/11/09

Tom Kwanya

Date

DEDICATION

To my grand mum, Theresa, with lots of love.

ACKNOWLEDGEMENT

There are several people I would like to thank for their support during my often arduous Masters journey:

My first port of call is my amazing supervisor Tom Kwanya, thank you for your patience, your incredible reading speed, the immeasurable amount of help you gave me and your willingness to share your wisdom.

Most importantly, I would like to credit my educational journey to my brilliant family. My exceedingly patient mum, my siblings and aunt Dr. Janerose, have supported me through all my crazy ideas, hobbies and experiments – mentally, physically and more definitely financially. Hopefully I will be able to return the support tenfold in future. I love you all.

My special thanks extend to Vincent Musumba of Equity Bank for your support through out my research journey. I would not have completed my research project without your absolutely generous support and I really can't thank you enough for everything you have done.

Finally, thank you all my Masters' study buddies, colleagues: Baron, Cary, Namande, Azangu, Bisesa and Odiko – my proofreaders, cheerleaders and best friends.

ABSTRACT

Organizational communication in is a relatively new field of research, particularly within the banking sector. Therefore, the purpose of this research was to investigate the role of ICTs in organizational communication of the banking institutions.

The research took the form of a case study with Equity Bank representing other banks in Kenya. The study followed a qualitative methodological approach where in depth interviews, focus group discussions with employees of the bank were conducted in addition to observation. The findings of the study were then analyzed and discussed in accordance to current literature.

Specifically, the study sought to establish the ICT tools used for organizational communication, how these tools are used, their roles and impacts, challenges in adopting ICTs for organizational communication and recommend strategies and techniques that the banks can embrace to apply ICTs effectively for organizational communication.

The research findings indicate that a wide range of ICT facilitated organizational communication tools are used in the banking sector with computer mediated communication channels, such as email and Intranet being the most predominant. These tools enable both one-way and two-way communication flow. They also vary in features of conveying multiple cues; tailoring of messages to personal circumstances; opportunity for timely feedback and language variety, which are important benchmarks in analyzing communication channels. The banks are taking a new direction in facilitating employee communication even when they are not physically in the office through technology such as blackberry and iPhones.

Additional findings also indicate that the available ICT facilitated organizational communication perpetuates social isolation and therefore inferior to the traditional face to face mode of organizational communication. However, in today's business situation where face to face meetings may not be effective, use of ICTs for organizational communication offer an enormous dvantage.

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LIST OF ABBREVIATIONS

ATM – Automated Teller Machine

CEO – Chief Executive Officer

CMC – Computer Mediated Communication

CT – Communication Technology

EFT – Electronic Fund Transfer

FGD – Focus Group Discussion

ICT – Information Communication Technology

IP – Internet Protocol

IPTV – Internet Protocol Television

IS – Information Systems

IT – Information Technology

KM – Knowledge Management

LAN – Local Area Network

NSE – Nairobi Stock Exchange

PA – Personal Assistant

POS – Point-of-Sale

SNT – social Networking Theory

TAM – Technological acceptance Model

TC – Technological Change

WWW – World Wide Web

CHAPTER 1

1.0 INTRODUCTION

The most critical component of any organization's success is its ability to communicate. Communication, both internal and external, is key to establishing, conveying and achieving strategic goals in every area of organizational operations. Organizational communication results into improved productivity, increased levels of innovation, higher quality of services and products and reduced operational costs (Argenti, 2007). Due to the importance attached to communication, professionals with finely-tuned communication skills are in high demand in today's competitive environment, where organizations strive to compete in a global market.

When people arrange themselves in an organizational structure for the reason of achieving a common goal they must communicate with each other to realize collective action. Basing on this, interpersonal communication is the pillar process of any organization. No decision could be made, goals set or products processed without communication between individuals who are members of the organization.

The convergence of telecommunication and computer technology has given rise to what has generally come to be referred to as information and communication technology or ICT. The emergence of ICT has radically altered several aspects of both the way we live and work (Holtz, 2006).

Throughout the last two decades, communication has been revolutionized. Just like the telegraph in the 1840s, the emerging information and communication technology once again has changed the way people communicate. Email and instant messaging, for instance, have remarkably altered personal communication. Communication has also witnessed the emergence of World Wide Web (WWW), linking millions, then trillions of pieces of content (December & Randall, 1995).

John Dewey (1927) argued that the public could regain its power of reaching out to each other through a restored sense of community, which could be achieved with the help of

communication technologies facilitating conversation. Almost a century later, such communication technologies have become reality.

This modern communication technology offers numerous opportunities to change or elevate communication processes. These technologies also contribute towards improving the communication and supply of information within an organization or between organizations and its environment.

The adoption, implementation, use and effects of ICT in organizations, constitutes diffusion of an innovation in a social system – in other terms, diffusion process (Rogers, 1983). This study, however, dwells on a unique kind of diffusion process called an organizational diffusion, in relation to internal and external communication, and pegged on ICT.

Organizational communication is a management discipline. Effective communication is the lifeblood of a successful organization. Communication should facilitate the link for employees to see how their daily actions contribute to corporate goals. Employees are faced daily with 'decision moments' where the values communicated to them will determine their actions. Employees must be able to see the linkage from what they do to what the organization values.

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The Intranet, for example is not just a way to determine information, it must be a tool for getting work done better, faster, and in new ways. It should facilitate communication, not control it.

This study investigated internal and external organizational communication as applied by organizations in the within the banking sector in Kenya and examines the value attached to this communication by the organizations. The targets of the study were key representatives from communication leaning sections of the participating organization who gave insights into management perspective of organizational communication.

This study focuses on Equity Bank as a representative of the banking sector in Kenya. The bank has a successful story with the biggest branch network and customers.

1.1 Organizational Background

Equity Bank was established way back in 1983 but registered in 1984 as Equity Building Society. For the period 1992 – 2000, Equity Building Society operated like a family business. The board was composed of the friends of the chairman and the managing director. During this period decisions were made by the managing and finance directors at the bank and they personally knew all the staff, and majority of their customers. Due to the small size of the institution at that time it allowed the two directors and staff to provide very personalized service. Most credit decisions, for example, were based on personal relationships with knowledge of the potential borrower. In summary the institution was running on informal systems.

In the year 2000 Equity introduced professional banking software that saw the beginning of its rapid transformation. Equity's growth had overstretched its informal systems and the directors realized that personal relationships in running the business were no longer sustainable.

The year 2000 also saw the board being restructured, operations standardized throughout the organization and an optimized use of ICT systems. This significantly increased efficiency and Equity was expanding in terms of branches and customers. Furthermore, the branches were networked and IT-based communication systems were implemented.

By 2004 Equity was the fastest growing financial institution in Kenya. Early 2005 it converted into a fully-fledged commercial bank and changed its name to Equity Bank. It continued to grow and the need to decongest the banking halls arose. In response it initiated work of changing the IT system and purchasing Automated Teller Machines (ATMs) as well as developing outline for mobile phone based banking.

In the year 2007 Equity Bank was listed in the Nairobi Stock Exchange (NSE) and the following year it went regional by expanding its market presence in Uganda and thereafter Sudan.

Today the bank is home to more than 3 million accounts, which is over 50% of all bank accounts in Kenya, making it the largest bank in the region in terms of customer base. Its massive

shareholder fund base of underpins the solidness of Equity bank over Kshs.17 billion. The capital base makes Equity the most capitalized bank in the region. It has 111 branches which forms the majority located in Kenya. 45 branches constituting 28% based in Uganda and only one branch in Southern Sudan. The lion's share of branches based in Kenya is attributed to the fact that the bank is Kenyan. Uganda has the second highest number of branches because it was the first foreign country the bank ventured while Sudan with a single branch is the latest venture

1.2 Statement of the Problem

The fundamental purpose of business, non-business or administrative organizational communication is to inform, to persuade or request, and to build goodwill within the organization. Each level of an organization requires support from above and below to function. A fundamental aspect of this support is communication (Quirke, 2000).

The changing state of the business environment, demographics, and technological advancements are fast shaping the world in which communicators operate. Technology has transformed the world of organizational communications. For instance, with access to wikis, blogs and email any connected employee is in a position to create, comment on, critique or sometimes undermine any formal organizational communication. Faced with this challenge, organizational communicators need to learn how to leverage emerging technology and develop new strategies for engaging employees (O'Donovan, 1998).

ICT tools such as cell phones, Internet, PDAs, Global Positioning Systems, iPods, wireless computer devices, and conferencing systems are fast changing the way people work, relate to each other and their environments. Many of these changes happen so rapidly that people or organizations find themselves reacting to them rather than managing them, adapting to them instead of maximizing their potential to help them work better and smarter (Gallant *et al*, 2003). The ultimate goal of this study was to examine and reflect on the powers and potential of ICTs anchored on organizational communication.

As ICT facilitated communication becomes more pervasive, there is an increasing need to study the potential uses of this technology in organizational communication. This provides a robust

perspective on how employees communicate by use of technology in organizational settings. This framework offers a powerful lens to investigate the meanings, understanding, uses and gratifications, and potential of technology in organizations in relation to facilitating organizational communications (Gallant *et al*, 2003).

Until recently banking was costly and labour-extensive task for all concerned. The financial institutions needed huge networks packed with tellers, checking clerks, forms and files. Customers were expected to stand in long queues at inconvenient times and fill complex forms among many other things. In the wider financial sector, technology has been applied to reduce transaction costs and improve transparency in delivering financial services, both of which translate into increased access and lower costs. Automated processes have enabled banks to extend their services to harder-to-reach and more costly clientele by replacing people and branches with Point-of-Sale (POS) devices and branchless banking strategies.

Rapid advancement of ICT has had a profound effect on the banking industry and the wider financial sector. ICT is now a tool that facilitates the banks organizational structure, business strategy and customer services. According to Awuondo (2008) ICT is basically used under two different avenues:

- Business process reengineering (BPR); and
- Communication and connectivity

Awuondo (2008) adds that effective application of ICT is enabling banks to be more customer-focused in their operations by building a solid foundation for customer relationship management. This technology enables banks to expand the range of products and services while mitigating fraud levels as well as improving risk management. By adopting ICT the banks widen their customer base, reduce transaction and operational costs. All these drive the banks at gaining or retaining competitive advantage.

Notable applications of ICT within the banking sector are the development of products and services such as:

- ATMs
- Internet banking
- Networked branches
- Electronic bill payment (transfer)

These new developments have enabled banks to provide more diversified, secure and convenient financial services. Awuondo (2008) goes further to assert that adoption of new technologies and upgrading the existing of core banking solutions, will be a necessity for the banks to stay ahead of the game. This is aimed at issues such as real time responses to customer enquiries via different channels in addition to multi-channel management and coordination.

One of the cornerstones of banking is communication. The banking sector has a special responsibility to demonstrate the smarter ways of communication. It is the most essential link between means and ends that are of huge concern to management. However, it is unfortunate that little is known about these banks' uses of ICTs in managing their own organizational communication. Banks have got scattered branches, staff and customers whom they have to communicate with. Millions of people and organizations use modern communication tools like cell phones, instant messaging, Intranet, Internet and so on in the work place yet there are just a few investigations done on how the use, perceptions and opportunities of these new media or technologies relate to organizational communication especially in the banking sector (Ahuja & Carley, 1998). Communication and connectivity (Awuondo, 2008) have been the catalysts of adoption of ICT by banks. More specifically a better knowledge about the potential of the ICT, the continuous and growing penetration and implication of this technology into the banking sector's organizational communication call for its investigation.

Equity Bank the fastest growing financial organization in Kenya. A previous study on Equity Bank by Microsave Report (2004) on an analysis and strengthening of feedback loop of Equity Building society links the bank's success story to its customer focus and communication strategies. This success is partly attributed to the application of a suitable feedback loop mechanism:

“Equity’s feedback loop has functioned extremely well in the past and has been a secret of the institution’s success, primarily because it has given clients what they want - fast, clear, convenient, accessible and friendly responses to their questions, comments, concerns and suggestions. Equity’s recent and rapid growth is largely due to its capacity to listen to clients, analyze the information gathered in the context of its capabilities, and develop the infrastructure, resources, products and services to satisfy client needs and preferences” Microsave(2004).

Communication is central to feedback loop as an action-packed process that has phases of: information collection, information consolidation, analysis, reporting, decision-making, delegation, communication, and implementation. The Equity Bank Microsave (2004) studies report suggest that when applying this feedback mechanism, equity applied informal communication approaches resulting from personal relationships in addition to ServQual questionnaires, focused group discussions and mystery shopping which it analyzed. However, today, this strategy may be a tall order given the fact that the bank has grown exponentially in customer base, branch network and has gone regional. Personal relationships are insurmountable and communication just between staff, management and customers scattered across Kenya and spilling over to other two countries may be a challenge. The solution may just lie with ICT!

This study investigated and established the steps these banks have taken in using ICTs for organizational communication. It is important to understand the opportunities ICTs as a technology and communication tool can offer to organizational communication.

1.3 Objectives of the Study

1. To establish the range of ICT tools used by banks in Kenya for organizational communication;
2. To investigate how these tools are used by the organizations;
3. To investigate the roles and impact of these tools on organizational communication;
4. To investigate the challenges faced by banks in adopting ICTs for organizational communication; and
5. To recommend strategies and techniques which banks can apply to effectively apply ICTs for organizational communication.

1.4 Research Questions

1. What are the ICT tools used for organizational communication by the banks in Kenya?
2. How are these tools used by these organizations?
3. What are the roles and impacts of these technologies on organizational communication in the banking sector?
4. What are the challenges the banking sector in Kenya faces while adopting ICT for organizational communication?
5. What strategies and techniques can the banking sector apply to effectively use ICTs for effective organizational communication?

1.5 Theoretical Framework

Because the aim of the study is to investigate organizational communication, the theories that have been chosen for this study are diffusion of innovation, social networking and organizational theories. The details are presented hereunder.

1.5.1 Diffusion of Innovation

Everette M. Rogers is the person behind the scientific research into diffusion of innovation. In his book *Diffusion of Innovation* (1983) he gathers several varying studies in this interesting area to come up with a general framework. The ground of this framework is his definition of diffusion as "the process by which an innovation is communicated through certain channels over time among members of a social system." Four core aspects of diffusion process are derived from Rogers' definition: 1) an innovation; 2) communication channels; 3) time; and 4) a social system. Rogers concluded that each study on diffusion alludes to these four elements.

An innovation is basically an idea, practice or object that is perceived to be new to an individual or another 'unit of adoption'. From this perspective, then, this is a subjective case because the extent to which a unit of adoption perceives the innovation as new is core here, irrespective of whether it is true from any objective point of view. The speed at which members of a social

system adopt different innovations can substantially vary and rely, among other issues, on several characteristics of the innovation itself as stated by Rogers (1983):

- **Relative advantage** - the level to which an innovation is considered better than the idea, practice or object it is supposed to replace;
- **Compatibility** - the extent to which an innovation is consistent with existing values, previous experiences and the needs of potential users;
- **Complexity** - the extent to which the innovation is perceived as difficult to understand and complex to an individual;
- **Trialability** - the extent to which an innovation is applied or tested and experienced with on limited scale; and
- **Observability** - the extent to which the use and impacts of an innovation are visible to other members of the social system.

Summarily, innovations or new ideas that the members of a social system perceive to be better in terms of relative advantage, compatibility, triability and observability and dismally in complexity, will easily be adopted within the social system more than other innovations.

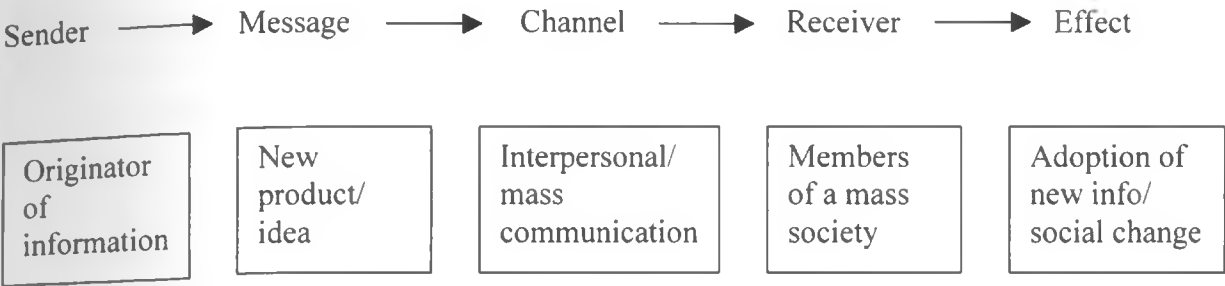
Channels of communication are equally important, as Rogers (1983) defined diffusion as a “particular type of communication process.” Communication channels are the carriers of the diffusion process, the path through the social system.

The channels can be the mass media or interpersonal channels that handle relationships within social networks and are essentially effective in persuading others to adopt.

Rogers (1983) related the diffusion process to Harold Lasswell’s S-M-C-R-E model of communication that is demonstrated below:

Figure 1: Lasswell's Model of Communication

Source: Hardt (1992)

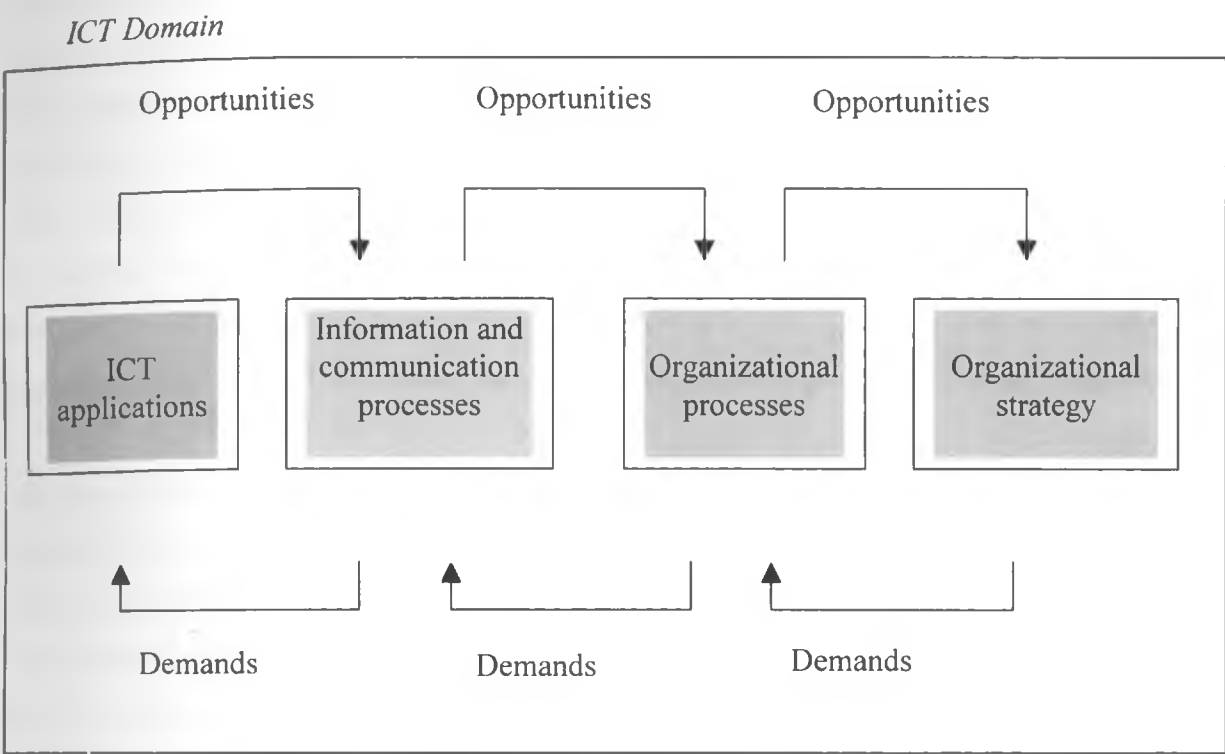


Bouwman *et al.* (2005) argue that the entire process of the adoption, implementation, use and effects of technology in an organization is a process of “mutual interaction.” What do users want to do with the new technology and what are they able to do with it, and what changes in the organization’s processes and structures are brought about by the new technology? This implies that the use of ICT in organizations is a dynamic interaction between the process of technological innovation that leads to new ICT applications and reinvention of existing applications, and the process of organizational innovation and consists of the actual adoption and implementation of an ICT application in an organization, the use of these applications and the effects this has on the work and communication in the organization.

Bouwman *et al.* (2005) borrowed the following demand and opportunities adoption of ICT model from Van den Hoff (1995):

Figure 2: Hoff's Demand and Opportunities Organizational Adoption of ICT Model

Source: Bouwman et al (2005)



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This model can ably serve as a tool to ascertain the suitability of a specific form of ICT within an organization, and also give insight into the interaction between the characteristics of the technology and the processes within an organization.

The demand and opportunities model combines two dimensions of reasoning. The first dimension of reasoning arises from the organizational domain and focuses on the demands that an organization's processes put on information and communication media. These processes make up the key activities of an organization. They exert certain demands on communication process. For example, a highly time-critical process requires speedy communication, and a process in which several parties at geographically scattered locations are involved requires communication

across great distances. In order to meet these demands, certain information and communication technologies have to be selected with features that marry these demands.

The other dimension of reasoning arises from the ICT domain and touches on the opportunities certain technologies (or media) offer to change or improve communication processes. It looks at the contributions these technologies can bring in to improve communication and supply of information within the organization or between the organization and its environment, the general effects that can be distinguished and also how the positive effects for a certain organization can be realized and the negative ones controlled or mitigated. Bouwman *et al.* (2005) add that changes in information and communication processes in turn offer possibilities for changes in organizational processes, which can consequently affect the organization's strategic position.

The gist of this argument is that a proper evaluation of the value of an ICT application needs to combine the two lines of reasoning. The two perspectives presented in the model have their values in implementation of ICT in an organization. Successful application of ICT in an organization is strongly hinged on an awareness of the organization's needs, the possibilities of the technology and the extent to which the two match; that is, possibilities and demands. This requires the organizations to ensure that ICT applications adopted match existing structures and processes within the organization. Those possibilities of the applications that do not directly match the current situation need to be kept in mind. Technical possibilities may result in innovation of processes and structures and give insight into those positive or negative effects of the application that may not have been expected or even intended.

In other words, the use of ICT in organizations requires in-depth knowledge regarding both organizations and technology.

It is evident from the foregoing that the adoption, implementation, use and effects of ICT in organizations, amounts to diffusion of an innovation in a social system and constitutes a diffusion process (Rogers, 1983).

Flanagin (2000) suggested three key areas that influence adoption:

- 1) *Organizational feature* such as age, size, and culture where younger, larger firms with higher levels of technology tend to implement innovations earlier. He is quick to add that this does not limit adoption to the corporations, rather it is an indicator that some may require to take into consideration other factors such as making sure that employees are introduced gradually to the technology and are provided with adequate support to master it.
- 2) *Perceived benefit* of increased communication and information flow, and organizational advantage. The organization needs to assess these possibilities before introducing technology in order to ensure that their expectations in mind are met when it is finally introduced.
- 3) *Social pressure* such as self-image and the 'face' an organization presents to its clients, competitors and suppliers can encourage it to adopt new technology. "If e-train is filling up fast, no organization wants to be left in the waiting room when it departs."

Flanagin (2000) also pointed out that anxiety associated with any increased level of technical complexity reduces the likelihood of employee adoption. In the same thinking, Damsgaard and Scheepers (2000) suggest that technological innovations are most successful when maximum corporate support is assured, especially in terms of training and back-up. As a matter of fact, staff members are more likely to embrace new technology if it is user-friendly, readily accessible; for example placed on their working desks, employed by colleagues, seen to be effective, and has fringe benefits for example it can be applied for personal matters.

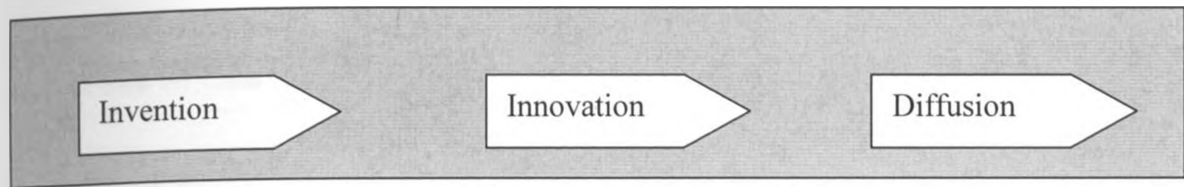
Technological change (TC) is a term used to describe the overall process of invention, innovation, and diffusion of technology or processes. In essence TC is the invention of technology (or a process), the continuous process of improving a technology, which is often the case and its diffusion across the industry or society. Traditional, TC has been illustrated using a 'Linear Model of innovation¹,' which is now widely discarded in favour of a model of

¹ The Linear Model of Innovation is an early model of innovation that suggests technical change occurs in a linear fashion from Invention to Innovation to Diffusion

technological change that embraces innovation at all stages of research, development, diffusion and use (Rogers, 2003).

Figure 3: Original Model of Three Phases of the Process of Technological Change

Source: Rothwell, Roy (1994).

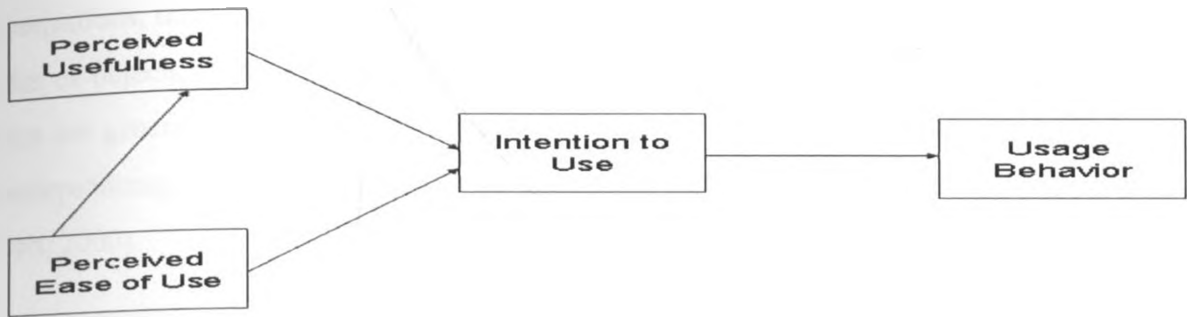


Related to Rogers *Diffusion of Innovation* theory where he suggested a prominent role for perceived ease of use. *Technology Acceptance Model* (TAM) was later developed by Fred Davis and Richard Bagozzi (Bagozzi et al., 1992; Davis et al., 1989) and they emphasized that when users are presented with a new technology, a number of factors influence their decision about how and when they will use it:

- **Perceived usefulness** - This was defined by Fred Davis as "the degree to which a person believes that using a particular system would enhance his or her job performance".
- **Perceived ease-of-use** - Davis defined this as "the degree to which a person believes that using a particular system would be free from effort" (Davis, 1989).

Figure 4: Technology Acceptance Model

Source: Davis et al (1989)



Bagozzi, Davis and Warshaw say:

“Because new technologies such as personal computers are complex and an element of uncertainty exists in the minds of decision makers with respect to the successful adoption of them, people form attitudes and intentions toward trying to learn to use the new technology prior to initiating efforts directed at using. Attitudes towards usage and intentions to use may be ill-formed or lacking in conviction or else may occur only after preliminary strivings to learn to use the technology evolve. Thus, actual usage may not be a direct or immediate consequence of such attitudes and intentions.” (Bagozzi et al., 1992)

TAM has strong behavioral elements, assume that when someone forms an intention to act, that they will be free to act without limitation. In practice constraints such as limited ability, time, environmental or organizational limits, and unconscious habits will limit the freedom to act

Technology is ever dynamic and expensive therefore directly affecting its adoption. This theory was handy in this study as it enabled the researcher to understand and explain the challenges the Kenyan banks face in terms of embracing new technology and coping up with the changes. This highlighted the tools of organizational communication these financial institutions apply and the impact of adapting them. It also provided answers to how the banking sector manages technological changes.

1.5.2 Social Networking Theory

This theory is a branch of a wider social science that applies to a wide range of human organizations, from small groups to entire nations. A social network is a social structure made of nodes or objects, and a mapping or description of the relationship between the objects. These nodes are generally individuals or organizations that are tied by one or more specific types of interdependency, such as values, vision, ideas, kinship, friendship, conflict, trade and so on (Scott, 2000).

In general, Social Networking Theory (SNT) focuses on the relationships between people, instead of on characteristics of the people. These relationships may comprise the feelings people have for each other, the exchange of information, or more tangible exchanges such as goods and money. By mapping these relationships, social network analysis helps to uncover the emergent and informal communication patterns present in an organization, which may then be compared to the formal communication structures.

A network might consist of a person and a mapping from that person, for example, to each of his or her friends and relatives. These mappings can be unidirectional or bi-directional. An example of a bi-directional mapping would be if persons A and B have a liking for each other while unidirectional would be if person A likes B but person B does not like person A.

The power of social network theory springs from its difference from traditional sociological studies, which assume that it is the attributes of individual actors that matter. This theory offers an alternative view, where the attributes of individuals are of less value than their relationships and ties with other actors within the network. This perspective has proved to be relevant for explaining several real-world phenomena, but leaves less room for the individual agency, the ability for individuals to influence their success; so much of it rests within the structure of their network (Freeman, 2006).

According to Kadushin (2004) social networks have also been used to assess how businesses interact with each other, characterizing several informal connections that link executives

together, as well as associations and links between individual employees at different companies or organizations. These networks provide avenues for organizations to gather information, deter competition, and even collude in setting prices or sometimes policies.

A network is a set of relationships. Relationship might be more than sharing of an attribute or being in the same place at the same time. There can be a flow between the objects or nodes. Liking as an attribute for instance, might lead to exchange of gifts. Flows and exchanges can be very important to the network theory (Kadushin, 2004).

Wellman & Berkowitz (1988) assert that social scientists have gone an extra mile and investigated three forms of networks. These social networks are ego-centric, socio-centric and open-system networks. Ego-centric networks are those that are connected by a single node or individual, or for example all companies that do business with one specific organization. Socio-centric networks are networks in a box. Connections between students in a lecture room or workers in an organization are closed system networks. Open-system networks are networks in which the boundaries are not necessarily clear; they are not in a box.

At all levels of analysis nodes are likely to be connected with one another, other conditions being constant, if they are geographically near to one another. Individuals are more likely to be friends if they are geographically close (Feld and Carter 1998). As the numbers of nodes grow, so does the complexity of the network.

Network analysis techniques focus on the communication structure of an organization, which can be operationalized into various aspects. An example of structural features that can be distinguished and analyzed through the use of network analysis techniques are the formal and informal communication patterns in an organization or the identification cliques or functional groups within an organization. Also communication-related roles of employees can be determined. Special attention may be given to specific aspects of communication patterns: communication channels and media used by employees, the relationship between information types and the resulting communication networks, and the amount and even possibilities of bottom-up communication. In addition to all these, network analysis technique can in principle

investigate the communication load as perceived by employees, the communication styles used, and the effectiveness of the information flow.

The importance of communication is better understood with the need to interact. The versatile facet of communication in organizations is the extensive interpersonal communication between individuals. New communication technologies do, in one way or another, alter the bounds of human interaction; such interactions are governed by basic human tendencies. What is perhaps most interesting about these new technologies is their ability to provide new or previously rare contexts for information expression and engagement.

Contrator and Eisenberg (1989) add that the central tenet of network analysis is that people's beliefs, feelings, and behaviors are primarily driven not by the attributes of individuals, but by the patterns of relationships among individuals. This network paradigm is ideal for examining a socially and organizationally based view of ICT in that it refocuses attention away from individuals as independent users of technology to a view of users as an interconnected set of interdependent relationships embedded within organizational and social systems.

This theory is important for this study because it helped decipher the ICT diffusion process as knowledge on the use of some of the ICT tools diffuses through these networks. These social networks facilitate informal organizational communication which can be useful in transmitting organizational rules, values and norms; reinforce formal messages; and help foster innovations by facilitating communication among various parts of an organization. However, these informal channels can be harmful to the organization especially if used as a conveyor of false rumors or gossip. It enabled the researcher to understand and explain the ideas about whether ICT leads to group integration or group polarization.

In a seminal study, Barley (1990) showed that the impacts of a new technology are profoundly social, both as to how the existing social structure may constrain use of the new technology and how that technology may alter the social structure.

SNT's main focus is on the networks but on the other hand modern ICTs are used individually. ICT facilitates communication connectivity of these networks where individuals in the networks communicate hence sustaining the networks. This is where SNT and ICT converge in regard to organizational communication. In addition, ICT facilitates communication connectivity between individuals who are geographically dispersed. Such connectivity help create personal relationships which translate into social networks thanks to technology.

In coordinating the above two theories for this study, for example, the well-known Technological Acceptance Model, also attempts to explain the acceptance of ICT based on individual attributes. It may be that in addition to the individual attributes typically measured, one might be tempted to add a construct representing the degree to which an individual is connected to others by, for instance, communication, work flow, formal structure, or friendship.

In summary the two theories applied in this study: diffusion of innovation and SNT are vital in explaining the use and challenges organizations and individuals face in adopting new technologies. In an organization personal relationships are inevitable and they form relationship networks which are sustained through communication. ICT use for organizational communication needs to support these informal communication networks by facilitating group connectivity not polarization.

1.6 Justification for the Study

The dissemination of ICT in companies over recent years has been accompanied by numerous organizational changes. This calls for investigations to determine how organizations have adopted new technologies in line with organizational communication, the challenges and threats experienced plus the impacts of such technologies to banking companies in Kenya. The study therefore hopefully offers a baseline from which improvement can be made. Since methodology was standardized, the evaluation can be used across the whole spectrum of organizations.

The rationale for this study was founded on the review of the literature that revealed a scarcity of Kenyan based research into the role of ICT in organizational communication especially in a

technology based industry like the banking. This was in stark contrast to the remarkably increasing international studies that highlight the importance of organizational communication (Kitchen, 1997; Quirke, 2000; Welch & Jackson, 2007). An additional backing for this study was based on the fact that though there were a few studies on organizational communication and ICT, there was a research gap that called for bridging as none whatsoever focused on the banking institutions in developing countries like Kenya. Therefore, it is the researcher's contention that pursuing this field of study will provide unique insights and contribute to the greater body of work on organizational communication provided by previous scholars.

Studies on Equity Bank by MicroSave subscribe to the idea that customer focus and communication approaches are the main source of success of the bank. However, this approach and studies were carried out when the bank was relatively small as compared to today. Equity Bank of today has grown and its presence is felt in three different countries. This study has tried to consider challenges this expansion poses that were not envisaged during the previous studies.

1.7 Scope of the Study

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The Kenyan banking sector was chosen as the focus for this study due to the researcher's interest in service industries and the banks unique way of operation where they need to open up scattered branches and still function as a unit. Banking sector is an ICT based industry because for the banks to operate properly the branches need to be networked. There are several companies in the banking sector in Kenya but the researcher zeroed in on the Equity Bank because of its added advantage in terms of its relative dominance of the Kenyan market with consideration given to its regional outlook. Equity Bank's business model which embraces Information Technology (IT), communication strategies and relationship management which are key to diffusion of innovation and SNA theories applied in this study has attracted both local and international recognition with many winning awards decorating its name.

Another important factor for consideration is the fact that Equity Bank has a regional presence and has got a good number of its employees working in the branches and business units that are scattered in Kenya, Uganda and Sudan. The bank has the highest number of branches in the

country. These scattered employees give a good scenario to view organizational communication and opportunities that are offered by new technologies.

The researcher covered only Equity head office on assumption that all the information necessary for this study can still be captured from the headquarters. Most companies in this industry are homogeneous in respect to technology and staff competencies and the nature of their works.

The study focused on organizational communication ICT systems such as telex, fax, telephone and as well as more recent computer-based technologies, including electronic data interchange and email.

1.8 Dissemination Strategy

The final report of this study has been made available at the University of Nairobi main library and the School of Journalism, and at the Kenya National Archives and Documentation Service, Nairobi. Researcher has made effort to condense it into a paper to be presented in the relevant forthcoming conferences, presentations and form an article in a journal. A copy is to be given to Equity Bank which is the case study.

1.9 Definition of Concepts and Terms

1.9.1 Employees

According to Gillis (2004), employees literally refer to people who work for another in expectation of wages or salary. In law, an employee is considered to be a person hired to offer services to a company on a regular basis in return for compensation, and does not provide the services as an extension of an independent business. She adds that employees are more than any of the above definitions.

Because of the important role of employees, organizations have the responsibility to motivate them so that they can effectively deliver on their core functions. Howard (1998) agrees that effective communication can lead to employee motivation and job satisfaction. He believes that

companies can use their employee communication programs to achieve their business goals if they are managed properly. One of the factors that affect the reputation of the company is the consistency and relevance of communications, outside and inside.

1.9.2 Communication

Several definitions of communication exist in order to conceptualize the processes by which people navigate and assign meaning. Communication is also defined as the exchanging of understanding. However, Harold Lasswell gave what can be considered as a working definition of communication in the context of “who says what to whom in what channel and with what effect.”

Communication is not just important in an organizational context it is an essential component for everyday human life. People relate to each through some form of communication. Gamble and Gamble (2004) asserted: “communication is the core of our humanness”, and add, “how we communicate with each other shapes our lives and our world.”

The survival of an organization largely depends on individuals and groups who are able to maintain effective and continuing relationships among themselves. In an organizational context the purpose of communication may range from completing a task or mission to creating, maintaining, satisfying human or employee relationships and fostering organizational image. Communication may be considered a functional part of an organizational system, and it may be viewed in an interpersonal perspective (Richmond and McCroskey, 1992).

1.9.3 Internal and external Organizational Communication

When communication is between two members or departments of the same organization then it is internal communication. Internal communication involves the communication that exists within a company and can take many forms. Key to the success of an organization is communication from within it. In order to effectively engage in two-way symmetrical

communication (the goal of public relations practitioners), communication is essential internally (Silburyte, 2004).

The structure of an organization is partly determined by the network of channels or routes along which information should flow between employees or subunits.

External communication occurs whenever the organization exchanges information with someone or an agency outside the organization.

1.9.4 Information and Communication Technology (ICT)

It may be easier to describe rather than define ICT because of the methods, modes, and appliances involved in it are fast evolving and posing a challenge in coping with the changes (Kwanya, 2009). According to Oyedemi and Gillis (2004), ICTs refers to the “various technologies that enhance the creation, storage, processing, communication and dissemination of information. ICTs also refer to the different infrastructures used in these processes, their applications and the numerous services these infrastructures render.” They went ahead and identified the following technologies as the elements of ICTs:

- Media of communication (e.g. radio, television)
- Information machines (e.g. Computers)
- Telecommunications technologies and equipment (Satellites, fibre optics cable, Facsimile machines, mobile phones)

The major concern of ICT is with management and exploitation of data. It is not only considered in terms of digital devices and techniques applied by organizations and individuals to create, capture, organize, package, store, use and dispose information but also concerned with the way the different tools work with each other and the skills users apply to exploit their capabilities (Kwanya, 2009).

ICT plays a major role in facilitating knowledge sharing within communities, teams or groups in organizations. Concerning the organizational use of ICT, more and more organizations are now in the stage where they are experienced with the use of ICT based media- which means that ICT is used on an ever increasing scale, leading to a critical mass for many applications. ICT is increasingly being integrated with other media for organizational communication.

1.9.5 Banks

A bank is a financial institution licensed by a government. Its core activities include borrowing and lending money. Banks are major players in the financial markets and provide financial services such as investment funds. Competing for customers is nothing new for banks and lending institutions. The competition is simply more intense as the demand for loans and financial services increases. Yet while lower rates can catch a customer's attention, service often determines whether they remain a customer for the long term. Convenience, service and efficiency exert a lot of pressure on the bank for a communication system.

Banks use different channels to access their banking and other services: a branch, ATM, mail, telephone banking, online banking, and many more. It is because of competition and the need to survive in the market that has made banks incur huge investments in ICT. For example many banks are replacing traditional checks and deposit slips with electronic fund transfer (EFT) systems such as ATMs, which utilize sophisticated computer technology to facilitate banking and payment needs.

Connor of Brintech Community Bank observes that while most banks consider communication as a priority, few consider themselves high performers in either internal or external communication. Effective communication smoothes office interaction, enhances customer service, can ultimately impact the bank's bottom line – and effective communication is simple.

1.10 Ethical issues

Ethical considerations were taken into account across the entire research process including issues of informed consent, confidentiality, cultural and social sensitivity and respect for intellectual property rights. Each willing participant was given an information sheet of paper that vividly explained the purpose of the research and what their participation involved in addition to a sample of questions and topics before the actual interviews and focused group discussion. The participants were informed that their participation was voluntary and that they were free to discontinue participation at any point.

There was no conflict of interest whatsoever as the researcher has no contacts in the Kenya's banking industry and had never worked in the industry.

1.11 Limitations

All academic researches have limitations and this one was not going to stand out as an island. The primary limitation of this investigation was that research was derived primarily from few participants in the participating organization and therefore, their subjective perspective may not necessarily reflect the entire company, of which they are representatives. However the information that was required was generally factual rather than opinion based; therefore, it may be reasonable to conclude that the responses were similar irrespective of how many participants were to be interviewed or engaged in the focused group discussion from the one organization.

Another limitation is that some individuals in the participating company were not willing to participate or may have participated half-heartedly.

Time and funds constraints also posed a serious challenge to this study. Funds for stationery, printing, typing and the whole project were limited and time for the whole research process was limited as the researcher had to juggle between work and his project.

The qualitative design of this research required subjective data to be collected and analyzed which in itself can be the challenge of a qualitative approach where there are no specific rules

about how to analyze data, as opposed to quantitative data (Collis & Hussey, 2003). Through a qualitative approach the amount of data collected can be fairly substantial and as a matter of fact the task of reducing the data towards the final conclusions is entirely dependent on the subjective nature of the investigator.

In a group context individuals as was the case with focused group discussions applied in this study may have been less willing to reveal sensitive information because assurance of confidentiality may have gotten lost. And people may simply lie.

Organizational communication is relatively a new field of study. Literature on organizational communication and specifically targeting the financial or banking sector is scarce. In view of this the research was dominated by electronic sources as print proved to be difficult.

1.12 Delimitations

This study did have employees working in the field or those working outside the main office during the time of data collection participate. This deprived this research of their valuable contributions. However, it is still assumed that their input was captured from their colleagues who participated.

Delimitation arose from the researcher's decision not to include other companies in the Kenyan banking sector. The study did miss their rich contributions but companies in this industry are homogeneous and therefore the researcher's case study can be generalized.

1.13 Organization of the Study

This work consists of an introduction, a literature review, description of the methodology, an overview and analysis of the collected data, a discussion of the results, a conclusion and recommendations.

Chapter 1 gives an introduction to the study and the relevant theories of organizational communication applied in the study.

Chapter 2 covers literature and current research findings according to the following themes: organizational communication, strategies, channels and trends; ICT use in organizational communication, and ICTs, banking industry and previous studies. This review of the literature offers additional justification for the purpose and direction of this study.

Chapter 3 gives a description and justification of the selected methods of gathering, analyzing and presenting data. It also provides an overview of the data collection techniques, including a description of the analysis approaches used to examine and interpret the data, ethical issues and study limitations.

Chapter 4 presents the results of the analysis of the collected data.

Chapter 5 summarizes the results of this study. It also discusses the results of the data analysis and their implications to research objectives and questions.

Chapter 6 Provides recommendations conclude then suggest possibilities for further research in this area.

CHAPTER 2

2.0 LITERATURE REVIEW

2.1 Overview

The main focus of this study is the role of ICTs in organizational communication within the Kenya banking sector across all levels of the organization. Additionally of interest are the channels utilized, strategies and trends in organizational communication. This chapter presents a review of literature in accordance with the four themes: role and function of organizational communication; channels, strategies and trends in organizational communication; technology in relation to organizational communication; and technology and the telecom industry and previous studies.

2.2 Organizational Communication

Organizational communication can be explained functionally by referring to the goal of interaction in which the communication occurs. The function, goal or purpose of organizational communication is production. The main concern of organizations is to create and structure communication to enhance output of goals, services, or information to coordinate most efficiently tasks related to production and best fit people to these tasks. Flick (1967) explains that "when communication stops, organized activity ceases to exist. Individual, uncoordinated activity returns." Therefore, within an organization with its resources, communication deals with the coordination of tasks used to produce and market a service or product. The process of sequencing tasks and defining roles within an organization determines the content and structure of communication. The management decisions are always based on knowledge, information, intelligence and data.

Research on organizational communication is cross-disciplinary, and the number of available definitions attests to this fact. Organizational communication can be termed as employee relations (Quirke, 2000), management communication, internal media, cross-departmental communication (Greenbaum *et al*, 1988), strategic communication (Argenti, 2007) or integrated internal communication (Kalla, 2005).

Organizational communication is the means by which information flows into, through and out of an organization. Myers and Myers (1982) defined organizational communication as “the central binding force that permits coordination among people and thus allows for organized behavior,” while Rogers and Rogers (1976) argue that “the behavior of individuals in organizations is best understood from a communication point of view.”

Neher (1997) identifies the primary functions of organizational communication as:

- Compliance gaining;
- Leading, motivation, and influencing;
- Sense-making;
- Problem solving and decision-making; and
- Conflict management, negotiating, and bargaining.

Davenport et al., (1998) describe four different organizational communication models, which represent both the way in which information should be organized and the way in which communication processes should be designed:

1. **Information anarchy:** every worker manages her/his personal information and networks of communication channels. The dimension of the communication network depends on the ability and attitude of each single agent to manage relationships and communicate with colleagues, customers, suppliers, and other stakeholders.
2. **Information hierarchy:** workers adapt their communication processes to communication channels that are scientifically organized, typically by the management. Usually these are vertical channels, which enable the twofold processes of top down and bottom up communication.
3. **Information feudalism:** workers share knowledge within each single unit, teamwork, or community. Communication channels are organized and managed within each single group and there is no official communication channel across units.

4. **Information federalism:** the personalized and informal communication channels, developed within each single unit, are placed side by side with the formal communication processes managed across the firm.

The use of the term organizational communication, in practice is dependent on the organization and scholarly approach. Kalla (2005) defines it as the “formal and informal communication taking place internally at all levels of an organization.” Welch and Jackson (2007) perceive it from a stakeholder’s perspective and define it as “the strategic management of interactions and relations between stakeholders at all levels within the organization.” Quirke (2000) is quick to add that organizational communication is dependent on a number of factors but not limited to the type of industry; the structure of the organization; organizational culture and managerial style.

Historically, organizational communication was often than not limited to announcements from management and the packaging of messages for mass dissemination or distribution to employees that enabled downward communication (Quirke, 2000). Welch and Jackson (2007) assert that today, the role of organizational communication embraces the transmission of organizational goals, activities, new developments, achievements, and personal contributions as well as strategic visionary messages across the entire organization. They hasten to add that organizational communication includes “participating in communication, its direction and the content of communication”. On the other hand, participation and direction is dictated by the hierarchical structure of the organization where factors of “status, power, rank and prerequisite often cloud the form and content of upward communication” (Silburyte, 2004: 192). Modern strategies to organizational communication have seen organizations adopting flat, more dynamic patterns which have more inclusive participation from all levels of the organization in addition to varied content (Silburyte, 2004).

Another important issue that arises out of the existing organizational communication literature is its management in an organization. Management of organizational communication can be the responsibility of the corporate communication or human resources departments (Argenti, 2007) or can include the IT department as more organizations are utilizing alternative technological opportunities for their organizational communication (Gordon, 1998; Lehmuskallio, 2006).

It is never enough to talk about organizational communication without touching on effective communication in an organizational context. Tourish and Hargie (2000) suggest that the relationship between management structure and employees is a crucial one and includes open communication characterized by supportiveness, warmth and a commitment to dialogue rather than monologue. Boove and Thill (2000) state that effective communication only takes place when there is a shared understanding that prompts others to take action and encourage alternative thinking. This view is shared by Spence (1994), who considers communication to be effective only when a message has been received and understood and can then be used to produce action.

The discipline that studies the relations between communicative processes and organizational settings is called "organizational communication". Putnam et al. (1996) singles out three fundamental questions that organizational communication tries to answer:

1. Do communicational processes depend from the type of the organization or, vice versa, the latter depends on communicational processes?
2. Do communicational fluxes follow the direction of the organizational hierarchy or these fluxes influence the structure and the workflows of the organization?
3. Is communication a central element in the creation of the identity of an organization or it is merely a functional instrument?

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However, considered the relevant role of technology in communication processes, it is reasonable to add another relevant question to the analysis.

1. Are communication processes affected by the channel of communication, in particular by technology?

2.3 Grapevine and Organizational Communication

The formal communication is characterized with its rigidity, precision and authority, which follows predefined patterns and informal communication, which is flexible, personal and is free from etiquettes (Stohl and Redding, 1987).

Organizational structure creates, perpetuates, and encourages formal means of communication. *Informal channels*, known as the grapevine, carry casual, social, and personal messages through the organization. The grapevine is an informal, person-to-person communication network of employees that is not officially sanctioned by the organization. The informal communication subsystem is not reflected in any organizational structure chart, and is usually a tall order to identify because it includes everything outside formal channels. It is usually oral and very swift. Studies reveal that information moves faster through the informal circuits than through the formal one. To show this, Caplow (1947) conducted the earliest organizational studies on rumour transmission in a military setting. His findings were that:

- Relatively few rumours occurred in the system;
- Rumour information was more often accurate than inaccurate;
- Diffusion of rumour was fast;
- Most rumours consisted of some three associated or related statements;
- Distortion appeared mainly through attempts to simplify statements; and
- There were positive relationships between rumour survival time and diffusion and veracity

Informal communication especially for small organizations is often viewed as strength and “may take the competitive edge from larger firms because of their lack of bureaucracy and their more efficient, informal communications” (Vinten, 1999: 114). Small institutions can take a communicative advantage of informal communication between employees and supervisors one of the best strategies to communication (Argenti, 2007). However, this informal structure may not be sustainable in future if the organization expands. Street & Meister (2004: 495) are quick to advice that small businesses need to anticipate growth and lay the ground beforehand in that “as small business grow it tests the capabilities of informal communication channels [associated with small organizations], however, formal systems become more essential to fulfill the information needs of an increasingly complex organization.” Vinten (1999) notes that small enterprises operate in a reactive manner and generally introduce more formal structures of organizational communication when there is a breakdown or misinterpretation of

communication. As a matter of fact, Vinten (1999: 119) argues that it is a myth to assume "communication is adequate and completely fulfilled through informal means."

The extent to which formal and informal channels of communication are used within information services depends upon the complexity and stability of the environment, and size, nature and corporate culture of the parent organization (Bryson, 2006). Just like formal communication, informal communications are conveyed through electronic means. Collaborative information and communication technology tools enable individuals and groups to see and hear each other and witness changes as they occur. This speeds up not only the process of communication, but reaction. Messages are conveyed and received instantaneously and therefore ICT speeds up grapevine (Bryson, 2006). Cliffnotes (2009) contends that ICT in the forms of networked computer systems and wireless capabilities have made informal communication sophisticated.

Informal communication occurs as part of social relationship of people which is advanced by the SNT applied in this study. It is not confined to hierarchies, work relationships or work practices. Bryson (2006) observes that informal communication supplements formal communication; in the absence of good official communication, official communication may supplant it. Informal communication channels distribute information that may not have been communicated officially. Grapevines are not only fast but also highly selective and discriminatory.

Personal relationships are essential to informal communication. These relationships end up forming informal communication networks within organizations. According to Cliffnotes (2009) grapevine can be configured in many ways: in the single-strand chain, communication moves serially from person A to B to C and so on, with what it terms as gossip chain person A seeks out and tells others. When following the probability chain, person A seeks spreads the message randomly, as do other individuals. In the cluster chain, which is the most predominant form, person A tells three selected individuals, and one of these tells the others.

Nevertheless, informal communication often carries with it undesired consequences, like malicious gossips, negative moods, competition among different units that should cooperate instead and the like and all this can sometimes degenerate, thus creating a socially unhealthy environment. This adds to

the reasons why not too much of the “burden” of information about professional matters should rely on completely unstructured informal communication. Grapevine is most harmful when it carries false rumours or gossip. However, grapevine might also serve positive organizational communication purposes:

- They may serve to transmit organizational rules, values and morals
- They may help to reinforce formal messages, to test new proposals, and to obtain feedback about employee feelings and ideas; and
- They may help foster innovation by facilitating communication among various parts of the organization (Cliffnotes, 2009).

Unfortunately in many organizations rumour and distortion are perceived to be correlated terms. Take it or leave it the grapevine is part and parcel of any organization, but many managers consider rumours as a problem (Rosnow & Kimmel, 1979). David (1953) observes that individuals are less likely to be held accountable for message distortion in the informal than in the formal system.

2.4 Organizational Communication Channels and Trends

Fletcher and Major (2006) assert that the world is growing smaller as technology advancements and the creation of more sophisticated technology introduces organizations to different channels of organizational communication, spanning both time and geographical distance. They proposed four basic channels applied in the workplace communication (i) face to face meetings; (ii) audio or telephone exchanges; (iii) video mediated conferences; and (iv) computer-mediated text transfer. In addition to the four, Charles (2005) adds that corporate publications such as newsletters are also channels for organizational communication.

Organizational communication has been subject to dramatic changes. Before and early twentieth century, communication in small organizations was largely informal. As organizations increased in size, formal top-down communication became the main concern of organizational managers. Today, organizational communication has not only become far more complex and varied but also more important to overall organizational functioning and success. Traditional research in this area used to focus on how organizational communication varied by organizational type and

structure. Today, emphasis has interestingly and increasingly changed to understanding how new communication technologies and opportunities can help bring about new and effective organizational forms and processes (Tucker *et al*, 1996).

Recent literature on communication channels generally dwells on media richness theory (Salmon & Joiner, 2005; Sheer & Chen, 2004). Markus (1994: 503) when defining media richness theory says that it is a “prescriptive model in which achieving a match between information processing requirements [e.g. uncertainty and equivocality reduction] and communication channels [e.g. face to face interactions and written letters] was posited as essential for organizational effectiveness.” Organizations convey information through many channels, which are not equal to their capacity for reducing equivocality. Daft and Lengel (1984) proposed that media selection is closely linked to the amount of equivocality confronting managers. Sheer & Chen (2004: 79) support this idea by asserting that managers use lean media for simple topics and rich media for more complex topics and therefore the focus of the media richness theory is on the choice made by the managers, not necessarily the employees. According to this point of view there are four factors that influence media richness (Daft & Huber, 1986; Dennis & Kinney, 1998: 258):

- The opportunity for timely feedback;
- The ability to convey multiple cues (e.g., vocal inflections, gestures);
- The tailoring of messages to personal circumstances; and
- Language variety.

This theory typically allocates channels on a continuum from rich to lean media with face to face being considered as the richest medium followed by videophone and video-conferencing, telephone, email and written documents (Salmon & Joiner (2005). This theory places written documents as the leanest channel of communication. However, Sheer & Chen (2004) categorizes written documents within the media richness theory into personal written text (memos, letters, notes); formal written text (documents, bulletins, fliers) and formal numeric text (computer output, statistical report).

Face to face is considered the richest medium because it allows immediate feedback so that understanding can be shared and misinterpretations corrected. This medium also allows the simultaneous communication of multiple cues, such as body language, tone of voice, facial expression, pitch, enhancing understanding of the message beyond its information content (Meherabian, 1971; Kahai & Cooper, 2003). This non-verbal communication is defined in its broadest sense as “communication that transcends the bare elements of the written or spoken word” (Gabbott & Hogg, 2000: 386).

The proponents of the superiority of face-to-face communication for organizational communication suggest that it is the most preferred method of communication by employees (Quirke, 2000) and it also uses high variety and natural language and tend to tailor the message to the receiver. Face to face approaches can “give the people the opportunity to ask questions, offer opinions, and give and receive feedback – unique advantages over even the best print publications, video programs and e-mail messages” (Howard, 1996:12). Sheer and Chen (2004) add that rich media can create a closer relationship between a manager and subordinate as well as a more personal focus.

On the other hand Berry (2006) strikes in suggesting that although management literature focusing on communication apply face-to-face communication as the standard, the literature does not adequately put into consideration time-related problems inherent in face-to-face communication. As a matter of fact, face-to-face communication relies on participants being in the same place at the same time (Hargie & Tourish, 2004) which is not always possible. In approval, Quirke (2000:32) adds that time is the “limited resource in most organizations, and better use can be made of precious face to face time which is too often used for the wrong purposes; to tell people things they could more easily read about”.

Telephone is another tool of organizational communication and it is second richest channel according to the media richness theory. It is less rich because visual cues are screened out. Feedback is fast, however, so the individual may be able to resolve equivocality. The telephone medium is personal and utilizes natural language, but relies on language content and audio cues rather than visual cues to reach understanding. In consent, Markus (1994) adds his voice and

avers that the telephone is not a good choice for equivocal communication with the worry being the person being called may refuse to answer the phone. In agreement, Salmon and Joiner (2005: 57) state that recent studies suggest that the telephone "as a mode of transmitting and receiving management information, has been superseded by email, because of the superior functionality and usability features of email."

Tourish and Hargie (2004) argue that traditional communication channels like memos, letters, phone calls have been relegated in favor of emails in the business world. The success of email is partially due to its asynchronous nature where the sender and receiver do not have to be present for communication to occur (Thomas et al., 2005), as well as being able to cross "physical, social, temporal, and psychological boundaries at an astonishingly low cost" (Berry, 2006: 352). In addition to this, email reduces interruption caused by face to face meeting and telephone conversations thereby improving managerial efficiency (Markus, 1994) as well as having the added advantage of being able to be read all day round (Thomas et al., 2006).

"Our ability to communicate at any time in any place with anyone is increasing our opportunities for interaction. Using email, instant messaging, and cell phones, a manager's ability to stay engaged with the workplace is greater than ever before. In fact, multitasking has become synonymous with the communication technology- infused workplace of today" (Turner and Reinsch, 2007: 36).

Thomas et al. (2006: 257) argue that "compared with alternative channels such as the post office or the telephone, email reduces transaction time by offering instant transmission almost anywhere in the world at relatively low cost." Many organizations have employees that are geographically located in diverse areas; email enables information to be conveyed irrespective of location and/or time zone (Salmon and Joiner, 2005: 62).

Email has several characteristics similar to telephone, with the capacity for rapid feedback and the ability to reach a large, geographically dispersed audience. However critics of email argue that availability of new technology does not necessarily ensure effective communication, and instead it is the leadership and training in the use of the technology that will ensure effectiveness (Berry, 2006).

There are several forms of technology that have not been considered in organizational communication, possibly due to their recent introduction, including video conferencing, instant messaging or video/DVD use. Intranet is another channel worth mentioning in organizational communication. It may be considered to be a richer channel compared to email due to the amount of information it is able to store and share. Lehumskallio (2006: 291) defines Intranets as "networks, built and maintained within the company firewalls, offering Internet technology and various contents for the exclusive use of the company staff" and proposes that Intranets are not only for information storage and retrieval but also for enhancing communication within the organization and information flow.

Fueled by the overwhelming media attention to the Internet and the explosive growth in the World Wide Web (WWW) usage, many organizations began to establish their own presence and harness the Web's electronic commerce potential. The Web was a breakthrough in terms of global connectivity, because it allowed organizations to locate and disseminate information in standard, user-friendly manner across a variety of incompatible technical platforms and across geographical boundaries (Castells, 1997). In the course of the Internet efforts, organizations realized the potential to apply the very same technology, but this time round with an intra-organizational focus to overcome similar problems associated with intra-organizational connectivity.

By utilizing Intranets, organizations have the utility to share information, collaborate and transact across various incompatible technical platforms and information systems and across functional, structural and geographical boundaries within the organization, in a standard and user-friendly manner (Damsgaard & Scheeper, 2000; Benard, 1996).

Quandt (1970) observed that in organizational communication, new communication technology was of equal importance to face-to-face relationships; that it was "a phenomenon which overcame the limits of geography, multiplied the frequency of contacts, and gave access to nearly endless supply of information and opinion." The technological advances which were the underlying reasons for these ideas, included:

“The telegraph of the 1840s which speeded up newspaper reporting; the rotary press of the 1870s which accelerated the printing of newspapers; the improvement of papermaking and bookbinding which made possible the production of inexpensive books in the 1840s; the telephone, patented in 1876; and finally the motion picture, launched as a commercial enterprise in 1906; and the radio, given its first commercial station in 1920” (Quandt, 1970: 20).

2.5 Organizational Communication and ICTs

Employees in an organization form a community, which has to exist through communication. It is widely accepted that the Internet has been instrumental in creating the new global community. Globalization has opened up the whole world as a potential source of community with the Internet being the catalyst of this global community by providing the members new ways to belong.

The field of communication has witnessed several developments in history, which form the basis for human communication. Human beings have been using both verbal and non-verbal forms on communication but true evolution came with the development of the written form of communication. Along the way, communication has undergone dramatic change as human discovered new and innovative ways to communicate. However a significant revolutionary stage in the development of written communication was the invention of the printing press, which allowed a rapid reproduction of written thoughts and eventually the reproduction of drawings and photographs. However this means of communication was largely one-way and slow.

Many people like Epstein (2008) seem to agree with the notion that the Gutenberg² era is over. Digitization has brought the five hundred-year-old era to an end. A brand new digital communication technology has emerged and taken over. An electronic superhighway is beginning to be felt globally as voice, video and data converge, paving way for interactive communication technologies.

² Around 1440, Johannes Gutenberg, a goldsmith, invented a workable printing press in his shop in Strausburg, Germany. The press speeded book production and decrease costs through mechanization and printing of paper, rather than parchment. It was an era of veneration for the written word as carrier par excellence of human thought.

Tourish and Hargie (2004) assert that the use of technology in the communication process can be termed as *electronic communication* or simply as *e-communication*. E-communication tools have cropped up to form vital part of the communication infrastructure in most organizations. Traditional media such as written messages, phone calls and face-to-face contact, are slowly being replaced by e-mail as the preferred channel, whereas brochures and memos find their value diminishing with the expanding use of Intranet and Internet applications. These technological changes have had a bearing on organizational communication, both externally and internally. Foreman (1997) and quoted by Tourish and Hargie (2004) proposed three supreme elements in producing an integrated communication package. These elements include: atmosphere, process and methods. He argues that to maximize the impact of technology as a tool of communication, organizations need to be aware of the possible benefits and associated challenges in order to create both the suitable process and atmosphere for effective communication.

Wijnia (2003), in reference to Berners-Lee's view of the purpose of the World Wide Web (WWW), notes "the WWW will be a place in which everyone can speak for him or herself without the boundaries that are set by traditional media." The boundaries in this context can mean but not limited to time and geographical location constraints. New communication technologies like the Intranet can enable an employee to participate in organizational communication at any time or from any geographical location.

The emergence of the Internet, which interconnects billions of IP-based devices like computers to each other, may be seen as one of the most important changes in the ICT industry in the recent times. The Internet was in the beginning primarily for data services. Email and World Wide Web (WWW) were the most important services on the Internet. In further development, however, the number of services on the Internet has expanded, and these include a variety of audio/video services like Internet radio and IPTV, Internet Telephony (VoIP), blogs and computer games as well as various ICT applications such as e-banking, e-government, e-health (Onunga, 1998).

Modern organizations use the Intranet as a tool to hold together its employees in place of the traditional face-to-face interactions. Scholars have emphasized the unique communication possibilities offered by the Internet and Intranet. For instance, Rheingold (1999), elaborating on

the types of activities individuals carry out online, demonstrates the communicative nature of these activities:

Communication is at the center of successful organizations and so the challenge for companies has been to create a communication system that is both effective and efficient. In so doing organizations ought to address the needs of their external stakeholders and internal audiences or employees. A key feature of the organizational landscape has been the surging river of technology that has become a torrent in recent years as observed by Tourish and Hargie (2004). Its impact has been manifested in every aspect of organizational life. When harnessed effectively, this has proved to be definitely advantageous. As noted by Cohen (2004), "electronic media has come to the forefront of human resources to solve critical challenges in employee communication."

One cause of uncertainty about technology is that it moves rapidly. In the techno-world things are always changing. For example, some years ago Wireless Application Protocol (WAP) was the day's technology, permitting access to the Internet and Intranet mobile phones, and then picture messaging followed with enthusiasm. Truly, what tomorrow will bring is in the imagination of affected stakeholders the world over, ponders Tourish and Hargie (2004). The software packages and related programs and devices are also continually being updated.

Bouwman *et al.* (2005) assert that the effects of a particular technology on people and organizations can never be completely determined before adopting it. For instance, any organization that claims to use technologies that match its known needs will discover that there will still be wide array of changes in the organization. It may turn out that the technology offers unexpected possibilities for innovation, is adapted in its daily usage to needs that were unknown before the adoption and consequently may offer even more new possibilities. Bouwman *et al.* (2005) are quick to add that it has become crystal clear that the introduction of a new technology does not automatically result in the realization of all forms of positive effects of that technology.

There has been a great change in communication technologies and a corresponding change in communication theory and research. Previous organizational communication literature focused

on how variations in organizational communication were affected by changes in the size, structure, and types of organization and how different forms of organizational cultures brought about different types of organizational communication. Current literature now seem to have turned to the causal ordering and instead emphasizing how new types of organizational communication can result to new organizational structures, cultures, as well as a completely new organizational form.

New communication technologies and possibilities in addition to new challenges confronting organizations are encouraging a whole new approach to organizational communication that challenges the very nature of organizations themselves. New communication forms are possible and are now seen to emerge (Tucker *et al.* 1996).

To some degree, new communication technologies can enable almost every aspect of organizational management and effectiveness, including change management, knowledge management, innovation and organizational partnership and alliances.

The most conspicuous advances in communication technology are groupware or computer facilitated group communication technologies. Johansen (1984) distinguished groupware in terms of temporal (synchronous/asynchronous) and spatial (distributed/co-located) contexts as shown in figure 4. These communication technologies in traditional organizations groups work together effectively. It is essential to note that more importantly; they help dispersed individuals work as a team. By capitalizing on new communication technologies, an organization should be able realize a competitive advantage in its performance and in the market place (Desanctis and Fulk 1999).

According to Burns (1995) a groupware is not necessarily computer specific. To be qualified as a groupware, the technology must posses one of the following characteristics: it fosters collaboration and coordination between people, it fosters sharing of information, and it enables the communication between groups of people.

Table 1: Characteristics of Groupware by Temporal and spatial attributes

Source: Dix et al. (1993)

		Synchronous	Asynchronous
Spatial	Distributed	Audio conferencing Slow scan/full video Meeting augmentation Coordination	Computer conferencing Fax Voice mail Videotex
	Co-located	Meeting augmentation Coordination	Team room Media library

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The matrix is divided according to the time and space of users using the technology. On the x-axis the table contains the physical location breakdown of groupware. If the interaction between the users occurs in the same place, then the groupware is considered co-located. On the flip side, if the users are in different places, then the groupware is considered remote/distributed.

If the interaction occurs in real-time, then it is considered synchronous. If the users are communicating with each other in different times, then the groupware is viewed as asynchronous.

User interaction that is in the same place and same time are much like face-to-face conversations. Groupware under this category are multimedia meeting rooms and other co-located cooperation groupware that allows use to communicate more efficiently even while being in the exact same location. Lectures are another example of non-computerized group communication in this interaction.

Many of the earliest groupware was created with the aim of eliminating physical locations among collaborators communicating at the same time. These synchronous distributed interaction groupware include video conferencing and video walls. Non-computerized collaboration in the same time, but in different places is the ever-popular telephone.

Although communication technologies have opened up new opportunities, scholars and practitioners recognize that the theory of organizational communication has not been able to keep up with this rapidly changing situation and neither has the practice. Sapienza (1995) asserts that organizational communication "best practice" to the extent that they exist, are typically outdated. However the introduction of new communication technologies has caused problems as well as opportunities. It is a common debate that some communication technologies have led to communication overload. It has been a common fallacy to assume that because communication is widely viewed to be good, the more communication the better. Communication overload is truly a problem and what is required is better, not more, communication (Conrad 1994; Richmond and McCroskey 1992).

2.6 ICT, Adoption and Organizational Social Interactions

The introduction and use of new technologies demand the end user to process information differently in order to communicate with other people. In work settings organizational members must learn to use new technologies chosen by their companies as part of job requirements. Along with the introduction of new technologies, organizational members' typical work patterns can be disrupted in order for them to learn how to use and interact with a new technology to accomplish job tasks. Besides learning how to use new technological devices and their interfaces, workers often must also learn to use new versions of software and upgrades to existing technologies (Linda *et al.*, 2003)

New media in the form of Internet technologies and wireless communication are first changing the workplace. "This new social form [i.e. the Internet] is biased towards people who are endowed with good computer skills, a willingness to accept redefined work processes, and the ability to address and reconcile social and physiological impacts (Agres *et al.*, 1998).

For long time, a huge amount of organizational resources, in terms of time and money, have been invested in ICT solutions such as very traditional Information Systems (IS) or more innovative Knowledge Management (KM) systems, which aim at effectively and efficiently managing communication processes within and across organizational units. For instance, ICT, IS and KM systems facilitate synchronous and asynchronous communication processes when there is no physical proximity (Sarbaugh-Thompson and Feldman, 1998), enable knowledge sharing among organizational units, simplify some managerial decision processes, and support the electronic data interchange among firms.

In line with organizational communication, it is not only the technologies that may be of concern. It is the social change that is associated with such technologies that is of prime concern. The new technologies are revolutionizing the way we live, work, and communicate with each other at individual as well as organizational levels.

"There is no better time than now to look closely at the ways our tools are influencing our social relationships, from email to chat rooms to cell phones. We need to begin to answer the vexing questions posed by technologies' double-edged impacts: who will benefit? What are the downsides? How will the use of the new technology affect community, health, psychological well-being, the distribution of wealth, the environment? How can new technologies be misused, and what protections or remedies might be available to deal with negative impacts? Where are the points of leverage in influencing the way technologies are designed, deployed, marketed, regulated?" (Rheingold, 1999).

One of the fundamental effects of organizational systems and new information technologies is that they enable new organizational forms – the structural features or patterns of relationships and information flows of an organization (Fulk & Desanctis, 1995). The concept of social structures embraces many aspects of how organizations are affected by information technology. Social structure refers to the patterning in social relationships. Organizations are perceived to be

as consisting of individuals interconnected as members of social networks interpreting, creating, sharing and acting on information and knowledge. In view of this, organizational structure or form can be reasoned as the pattern of connections and interdependencies among organizational members. These links or connections may denote the formal organization defined by authority relationships, the informal organization defined by actual communication and information exchange, the structuring and flow of work or the social relationships (Tichy et al., 1979).

By conceptualizing the organization as a network of actors, structure, form and the effects of technology can be reflected by describing the links (human or computer based) among those actors. This perspective is useful for those technologies designed and implemented especially to alter patterns and forms of organizational communication and information exchange like email, groupware, document repositories, and expert systems, among others. For instance, according to Sproull and Kiesler, computer-mediated communication (CMC) has profound effects, both enabling and constraining, on the structure and content on communication links. For example, CMC facilitates communication regardless of time and place, yet may constrain the richness of the content of those messages. In other words, we can ask how replacing a formerly face to face communication process with a technology-mediated process impacts the quality and flow of information and knowledge, the roles and behaviours, and the social and organizational relationship among those involved.

Basing in the social structure approach to defining organizational forms also enables accounting for the social influences on communication and ICT use. Baker (1990) asserts that social structure is not only influenced by the communication demands of the organization and its environment, but by social context and institutions. Social context accommodates the culture, distribution of power, and the social norms, habits, practices, expectations and preferences held by the an organization about its current and past interaction. Kling (1991: 4), in the context of organizational communication technologies, similarly suggested that:

“The ways in which [computer supported cooperative work systems] restructure social relationships, if at all, depend on preexisting patterns of authority, obligation, and cooperation, and an organization’s openness to change.”

Baker (1990) hastens to add that social structure is not necessarily limited to the formal organization, and may apply to cross-organizational (interorganizational) relationships or collectivities of firms that form network or “virtual” organizations.

Some researchers criticize computer-mediated communities in that they are unable to ‘foster substantive and genuine personal relationships... and unable to produce legitimate social bonding’ (Thomson, *et al.*, 1998) that is vital in an organization. ICTs have great influence in organizational interpersonal relationships.

Researchers such as Meyrowitz (1978) believe that identity and cohesion of groups is fostered by members who are ‘isolated together’. The author has a feeling that with the advent of electronic communications people are more likely to be members of virtual communities who are ‘together through isolation’. There is quite a disagreement amongst researchers regarding social isolation. Thomson *et al.*, (1998) support other researchers’ apprehension of the value of electronic communities that online communication is ‘more likely to produce social isolation than connectivity.

2.7 ICT, Banking Sector and Previous Studies

The ICT sector is steadily growing in Africa. In the area of telephony, for instance, tremendous development has been recorded specifically in mobile communications. Through fixedline telecommunication systems are expanding in a rather stagnant speed, the expansion in wireless and mobile communication technologies and the broader investments made in the telecommunications markets have considerably improved the development of the sector. Notwithstanding, fixed line services have very low penetration in Africa (Gray, 2007). Growth of Africa’s mobile sector has defied all predictions. At the beginning of 2008, there were over a quarter of a billion subscribers in the continent. This mobile success is largely attributed to competition, spawning new services such as micro-payments, prepaid recharging, single rate inter-regional roaming and uptake of m-commerce applications according to the African Telecommunication/ICT indicators 2008 Report.

According to Oyedemi and Gillis (2004) it is the development technology and market are rapidly shaping the telecom and global ICT sector. Technology is driving and is diffused in all sectors

and industries. Today, technological changes have swept across the entire financial industry and the miniaturization of technological and communication devices have impacted enormously on the ubiquitous diffusion of these technologies. The transitions from analogue to digital and from fixed to wireless technologies plus the convergence of hitherto separate communication formats; voice, data and images into a single multimedia platform has revolutionized development in this ICT sector.

The banking sector has continuously witnessed a glut of technological devices, whereby selection is logically pegged on the economics and adaptability of technologies to various regions of the world.

To examine the technical trends in this sector in relation to organizational communication, there is need to look at the trends in form of: users' device, carrier technology, and advancement in the wireless technology.

Users' devices such as telephone have undergone major changes over the decades. Telephones have developed from the 1930s rotary telephones to the modern day digital telephones. Modern phones can execute numerous functions; record messages, store phone numbers and many other functions.

According to Kwanya (2009) ICT is convergence of Information Technology (IT) and Communication Technology (CT). It is the convergence of "hitherto discrete technologies into a matchless and versatile new technology." The convergence of IT and telecommunications services has led to a robust design of cellular phones which provide links to the Internet, are capable of broadcasting radio signals, have in-built digital cameras, they can receive data messages like fax, they have digital diaries and so on. When words, images and sounds are transformed into digital information, we expand the potential relationships between them and enable them to flow across platforms. Jenkins (2001) argues that "media convergence is an ongoing process, occurring at various intersections of media technologies, industries, content and audiences; it is not an end state." Jenkins³ had to the following to say about convergence:

³Jenkins, Henry. Media Convergence. <http://web.mit.edu/cms/people/henry3/converge.html>

“We are living in an age when changes in communications, storytelling and information technologies are reshaping almost every aspect of contemporary life – including how we create, consume, learn, and interact with each other. A whole range of new technologies enable consumers to archive, annotate, appropriate, and recirculate media content and in the process, these technologies have altered the ways that consumers interact with core institutions of government, education, and commerce” (Jenkins, 2001).

Technology has been discovered to be the main driving force of competition in the banking industry. Today’s business environment where banks are is very dynamic and undergoes rapid changes as a result of technological innovation, increased awareness and demands from customers. Harold and Jeff (1995) contend that financial service providers should modify their traditional operating practices to remain viable in the current environment. They claim that the most significant shortcoming in the banking industry today is a wide spread failure on the part of senior management in banks to grasp the importance of technology and incorporate it into their strategic plans accordingly.

The development in telecommunications has impacted enormously on the applications of ICTs and their use. Telecommunications technologies, paired with computer technology have strengthened network-based information and communication platforms like the Internet. Infrastructures associated with telecommunications in particular have become the driving forces of ICTs; they have got the ability to connect all various ICT elements together regardless of locations and to offer a converging platform for these elements as noted by Oyedemi and Gillis (2004).

As stated above, technology is one of the factors responsible for the growth of the ICT industry in general and banking in particular. ICT involve but not limited to a network of technological devices: the user devices like telephone handsets, and transmission system such as fibre optic cables, which are connected to a switching system.

Transmission systems are elements that send a user’s signal over a distance to other telecommunication facility. Two media of channels of transmission exist according to Oyedemi and Gillis (2004): cable systems, and wireless systems. The diffusion of wireless systems

globally has greatly affected the use of cable technology. This is attributed to apparently the inherent characteristics of this technology: physical connection is not needed, wireless systems work well with other applications, such as mobile telephony, which is rather impossible with the cable system.

People use electronic mail, for example, to communicate even when they are not located in one place. It is therefore not surprising that most studies report that the use of electronic mail increases organizational communication. Sullivan (1995) study found out that staff members of a state legislature had preferences for the interactive telecommunication technology of electronic mail. The e-mail was preferred over either the telephone or face-to-face communication although heavily linked to the type of communication task undertaken.

Literature specifically referring to banking industry, ICT and organizational communication are rarely found. However studies have been undertaken in other sectors to suggest that a range of communication channels were in use with Intranet and emails being the most predominant channels, while face-to-face communication being often underutilized (Hiromia, 2007). Agboola (2001) studied the impact of computer automation on the banking services in Lagos, Nigeria and discovered that Electronic Banking has tremendously improved the services of banks to their customers in Lagos.

With scarce literature specifically referring to the banking sector, studies have been undertaken that suggest there is expanding recognition of the importance of organizational communication in this sector (Asif & Sargeant, 2000). Asif & Sargeant (2000) worked on a study of two major United Kingdom clearing banks to explore a range of internal communication issues. In this study, a majority of participants perceived internal communication as an information-sharing tool and did not consider it as part of a relationship-building endeavor. They consider the latter as an area of potential focus, as stronger relationships throughout the organization could enhance team spirit and organizational identity. The results emphasized the need for more horizontal communication as well as the creation of a stronger organizational identity and team spirit.

In summary, research in organizational communication is cross disciplinary which is reflected in the various academic sources. The literature notes that organizational communication is vital to organizational success (Quirke, 2000; Tourish and Hargie, 2004) and that an important function of organizational communication is to inform employees on organizational issues (Welch and Jackson, 2007), which can then improve productivity. By embracing ICT especially the wireless technology the organization benefit from multitasking and employee communication that is not impeded by geographical location and time (Salmon and Joiner, 2005).

CHAPTER 3

3.0 RESEARCH DESIGN

3.1 Overview

This chapter presents the methodology that was used in this study. Deliberate attempts have been made to explain the different processes that guided the research, specifically the research approach, the sampling method, data collection and data analysis used.

3.2 Qualitative Research

The design for this study was qualitative. Qualitative research applies an interpretive approach that strives to understand phenomena in context-specific settings, such as “real world setting [where] the researcher does not attempt to manipulate the phenomenon of interest” (Patton, 2001: 39). Qualitative research can broadly be defined as any kind of research that produces findings not arrived at by means of statistical procedures or quantification (Strauss and Corbin, 1990: 17). Instead, it is the kind of research that generates findings from real world settings where the phenomenon of interest unfolds naturally (Patton, 2001:39).

Henning *et al.* (2004) define a research paradigm as a theory or hypothesis or a framework within which theories are built, that fundamentally influences how one sees the world, determines one’s perspective, and shapes one’s understanding of how things are connected. Holding a particular worldview influences personal behaviour, professional practice, and ultimately the position one takes with regard to the subject of research.

This study applied an interpretivist paradigm as it was centered at investigating pattern of meanings as well as understand members’ definitions of the situation. While a positivist paradigm utilizes large sample sizes, an interpretivist paradigm produces qualitative data using small samples (Collis & Hussey, 2003). For this study, only one bank represented the others in the Kenyan banking sector. In addition, this design makes use of small samples of subjective data (Collis & Hussey, 2003) because it enables richer and more detailed information to be sourced, which otherwise may not be feasible using quantitative methods. In any qualitative

research, the ultimate aim is to engage in research that probes for deeper understanding rather than examining surface features (Johnson, 1995: 4).

The researcher settled for a case study as the design for his investigation. Case studies are associated with the above selected research paradigm for this study. There are several banks in the Kenyan financial industry but the researcher opted for Equity Bank as his case study. Robert Yin (1984) defines the case study method as an empirical enquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used (Yin, 1984: 23).

In a case study the researcher investigates the object of the case in-depth using a variety of data gathering methods to produce evidence that leads to the understanding of the case and answers the research questions. A researcher can choose different designs when conducting a case study: a single case study design or a multiple case design. Since the researcher is concentrating on the role of ICT in organizational communication in the Kenyan banking sector with one case study, the research design applied in this case study is a single case design. Banks are homogeneous in their activities, operations and objectives and therefore it is the researcher's satisfaction that one bank can ably represent the rest in Kenya given that they operate in the same environment.

The case study design was important for this study because of being flexible. Whilst a pure scientist tries to prove or disapprove a hypothesis, a case study might introduce new and unexpected results during its course, and lead to research taking new directions (Yin, 1984). The researcher was able to extract unexpected results from the field because he was able to probe deeper.

Collis & Hussey (2003) assert that research is underpinned by researchers' personal philosophy, experiences of the world, assumptions and their view to scholarly investigations. In view of this, and for the purpose of this study, efforts have been made to ensure methodology for this study was dictated by the type of research questions asked and not by the researcher's personal preference (Weber, 2004).

3.3 Data Collection Techniques

This is an exploratory qualitative study that used interview, focused group discussion and observation as its data collection methods.

3.3.1 Observation

In any case, the main advantage of observation is undoubtedly its richness and contextual validity of the data. The researcher directly observed the organizational communication tools and demonstrations on how some of these tools were used. He observed organizational communication tools used by Equity Bank and where it was possible, the message content, source and target audience. In view of ethical issues, observation was only used with informed consent where permission was sought from both the management and the affected employees who used these communication tools.

The researcher used a checklist to guide him on what to observe at every stage so that no issue was left unattended. The investigator was able to tour a few branches in Nairobi and observed and confirms some of the organizational communication tools, message content and placement of these tools.

3.3.2 Interview

Millar et al., (2002: 3) define interview as

a dyadic interaction in which one individual plays the role of interviewer and the other takes on the role of interviewee and both of these roles carry clear expectations concerning behavioural and attitudinal approach.

For this study, the researcher opted to carry out individual in-depth interviews. The distinct merit of individual in-depth interview is that it allows the researcher to gain an in-depth understanding of a person's opinion and experiences. Additionally, Fontana and Frey (2000: 646) argue that

through the interview technique, researchers are able to extrapolate not only traditional 'what' of the research focus but also 'how', yielding negotiated contextually based results.

Accordingly, there are several types of interviews as observed by Flick (2006): structured, semi structured, coded semi structured and unstructured. However, for the purposes of this study a semi-structured format was used. Semi-structured interviews generally apply open-ended questions (Collis & Hussey, 2003), which provide more information than closed questions about the particular perspective of the respondents and, thereby, allow people to respond with what is on their mind (Frey, Botan & Kreps, 2000: 100) as well as ability to immediately ask for confirmation of facts (Flick, 2006). In open-ended interview, key respondents are asked to comment about certain issues. They may provide solutions or provide insights into the issues.

The challenge with this method is that during interview, the onus is on the interviewer to be able to determine when questions have been answered satisfactorily and when it is appropriate to move on to a new topic highlighting the need for effective interview techniques (Flick, 2006). The disadvantage of using semi-structured interviews squarely lies in the amount of time required to complete the interview and the difficulty in keeping track of the topics (Collis & Hussey, 2003).

In this case, the investigator conducted 10 open-ended interviews with key officers drawn from the communication and IT departments to gain management perspective of organizational communication and ICT in terms of challenges and opportunities using an interview schedule to guide the interviewer during the entire interview process so that uniformity and consistency are assured in the data. Two officers from the ten were interviewed although they came from other different departments that do not manage ICT or organizational communication but they are actively engaged in organizational communication. Six interviews took the form of face to face while the rest over telephone.

The researcher took written notes of the interviewees' responses to the questions and other emerging issues during the interviews and recorded field notes immediately after each interview was completed. The interviews, although open-ended, were structured around the research

questions defined at the start of the case study. Two focused, short, repeat interviews were conducted as anticipated to gather additional data to verify key fact with key officers each from IT and Communication departments.

3.3.3 Focus Group Discussions

Morgan (1997) defines a focus group discussion as a research technique that collects data through group interaction on a topic determined by the researcher. The cornerstone of this technique is the explicit use of the group interaction to generate data and insight that would be less accessible without the interaction found in a group.

The main advantage of focus group discussion is that it offers an opportunity to observe a large extent of interaction on a topic in a limited period of time based on the researcher's ability to assemble and direct the focus discussion sessions. These group discussions provide direct evidence about similarities and differences in the participants' opinions and experiences as opposed to reaching such conclusions from interviews analyses of separate statements from each interviewee.

Focus group data collection technique is based on facilitating an organized discussion with a group of individuals selected because they are believed to be representatives of some class. In discussions, multiple meanings are revealed as discussants interpret topics of discussion in different ways. The reactions of each person spark ideas in others, and one person may fill in a gap left by others. This generates a form of collaborative mental work, as discussants build on each other to come to a consensus that no one individual would have articulated on their own (Morgan, 1997).

In the same breath, this study applied dual moderator focus group strategy; one moderator who also doubled as my research guide and assistant ensured the session progressed smoothly, while another (researcher) ensured that all topics were covered. The researcher settled on the second moderator was an employee of Equity bank as well as a graduate student of communication hence he was well vast with the topic of study and the case study.

The discussants were nine in the focus group drawn from the IT and Corporate Communication departments who were directly linked to the topic of study. The researcher selected the participants purposively with the guidance of his assistant who works in the Communication department at the bank. The discussions were conducted at a restaurant next to the main offices during lunch breaks and the researcher recorded the discussions by taking notes.

This technique answered the research questions to do with the roles and impact of new communication technologies on organizational communication, built consensus on strategies and techniques the organizations can use ICT for effective organizational communication. This method was handy especially in creating a stand on issues to do with challenges and impacts of adopting ICT for organizational communication that seemed contentious or supplemented the interviews.

3.4 Data Collection Tools

This study utilized observation checklist, interview schedules and focused group discussion questions as research guiding tools.

3.4.1 Observation Checklist

The researcher prepared this checklist in order to guide him on what, when and where to observe.

3.4.2 Interview Schedule

In any research that applies interview as its data collection method, there is a danger of having some questions not answered or even the interview losing direction and sometimes wasting a lot of time in irrelevancies. In order to avoid these, the researcher came up with an interview schedule bearing all the questions that were to be asked and answered.

3.4.3 FGD Questions Guide

Just like interviews, FGDs are also interactive and therefore liable to the same dangers. As a solution and researcher prepared a set of discussion topics and questions that were used during the two FGDs. This ensured that all topics and questions were attended to and the discussion remained moderated and focused.

FGDs require moderation so that to ensure that each and every participant contributions are heard. In addition to moderating there is always recording of discussions. In this case, the researcher sought the help of his guide who moderated the sessions while the researcher himself ensured all questions and topics were covered as well as taking notes. The researcher was guided by a set of predetermined questions.

3.5 Research Participants and Process

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One banking company was included as a participant in the study. The company also has a good percentage of employees stationed outside their physical organization and some conduct a large part of their work functions in the field or branches. The sampling strategy that was applied was purposive sampling where officers who are directly involved in the management and use of ICT and organizational communication were selected for interviews and engaged in focus group discussions

Purposive sampling was chosen as an ideal method because the area under study is a key management function in organizations and accommodated in the Communication department in the organizational structure and drawing technological support from IT department.

The researcher first contacted the organization before collecting data that was studied to introduce the study and gain their cooperation, explain the purpose of the study, schedule individual interview and focus group discussion times, and assemble key contact information. It is important to pretest the research tools in order to assess their effectiveness and therefore the researcher moved on to select Kenya National Archives because this is where the researcher

works a different organization as a pilot case, and the investigator then applied the data gathering tools to the pilot case to determine whether the planned timeline was feasible and whether or not the interview and focus group discussion questions were appropriate and effective. Based on the results of the pilot, the researcher made the necessary adjustments.

To a large extent, the interviewees were selected on the criteria that their dockets fell under IT and Communication departments and therefore assumed to have knowledge on the area of study. The arguable disadvantage of having such discriminatory participants is that such staff may focus on positive aspects of the organization while downplaying the negative challenges. This was taken into serious consideration when collecting and analyzing the data and every effort was made to obtain a variety of information regarding behavior and also tallying the findings with other data collection methods used.

3.6 Validity and Reliability Issues

Researchers need to test and demonstrate that their results are valid and reliable. While credibility in quantitative research depends on instruments construction, in qualitative research Patton (2001) asserts that the researcher is the instrument. In other words, when quantitative researchers speak of research validity and reliability, they are usually referring to a study that is credible in relation to variables and instruments while on the other hand credibility in qualitative research squarely lies on the ability and effort of the researcher. Patton (2001) adds weight on the researcher's ability and skill in any qualitative research in achieving credibility and also states that reliability is a consequence of the validity of a study.

To give credibility to this study, triangulation method was applied. Triangulation is defined as a valid procedure where researchers search for convergence among multiple and different sources of information to form themes or categories in a study (Creswell & Miller, 2000: 126). In as much as triangulation is a concept commonly associated with quantitative research for confirmation and generalization, Barbour (1998) supports the notion of triangulation in qualitative research.

Therefore, to acquire valid multiple and diverse realities, this study applied multiple methods of gathering data. The research findings from different tools applied were tallied and where discrepancies noted a follow up focused interview was carried out. Engaging multiple methods of observation, interview and focus group discussions led to more valid and diverse construction of realities.

The researcher made deliberate efforts to ensure that the results obtained from the analysis of the data actually represent the topic under study. Banks are homogeneous in their operations, objectives and activities and therefore the research findings and recommendations of this case study can be generalized to the entire Kenyan banking sector thus giving this study its external validity.

3.7 Data Analysis

Research data comprised answers to interview questions, observation guide and ideas that sprung up from group discussions. This data was analyzed and presented according to themes based on the research objectives and questions.

According to Lindlof (1995) there are four interrelated principles that need consideration when analyzing qualitative data:

- Process;
- Reduction;
- Explanation; and
- Theory.

He explains that data analysis should be perceived as an ongoing process throughout the study through which the material is reduced to the most pertinent information and then discussed in accordance with the theory or literature. This study utilized an interpretive analysis. Patton (2002: 480) defines interpretation as going beyond the descriptive data. This involves attaching significance to what was found, making sense of findings, offering explanations, drawing

conclusions, extrapolating lessons, making inferences, considering meanings, and otherwise imposing order on an unruly but surely patterned world.

The researcher first examined the raw data in order to find linkages between the research objectives and the outcome with reference to the original research questions. This study used multiple data analysis techniques in order to provide opportunity for data triangulation so that to strengthen research findings and conclusions.

The researcher deliberately sorted the data in many different ways to expose or create new insights and intentionally looked for conflicting data to disconfirm the analysis. The data was categorized, tabulated, and combined in order to address the initial purpose of the study, and conducted cross-check of facts and discrepancies in account.

Qualitative data is subjective, rich, and in-depth information largely in the form of words. The researcher made it a point to write up comprehensive notes immediately after interviews and focus group discussions. In this case, analysis involved having observational field notes, transcribing interviews and focused discussion to create the raw data for the study. These textual data was then subjected to content analysis. The data was analyzed and presented in accordance with scholarly literature in order to satisfactorily answer the research questions.

Within-case analysis is the analysis technique that was used. The investigator studied the bank's interview and focus group discussion responses data as a separate case to identify unique patterns within the data for that single organization. The investigator prepared detailed case study write-ups for the organization, categorizing interview and focus group discussion questions and answers and examining the data for similarities and differences from different sources.

As patterns begin to emerge, certain evidence may stand out as being in conflict with the patterns. In those cases, the investigator did conduct follow-up focused interviews to confirm or correct the initial data in order to tie the evidence to the findings and to state relationships in answer to the research questions.

Yin (1994) encourages researchers to make every effort to produce an analysis of the highest quality. In view of this, he presented four principles that should attract the researcher's attention and which applied in this study:

- Show that the analysis relied on all the relevant evidence;
- Include all major rival interpretations in all the analysis;
- Address the most significant aspect of the case study; and
- Use the researcher's prior knowledge to further the analysis.

CHAPTER 4

4.0 PRESENTATION OF FINDINGS

4.1 Introduction

In this chapter the findings from the study, which focused on the role of ICTs in organizational communication in the Kenyan banking sector: a case study of Equity Bank is presented.

In this study, ten interviews with representatives of communication and IT units were conducted in addition to two focused group discussion with a pool of nine participants. The first focused discussion was with staff from the IT department and the other one with the communication department.

The study identified the branch coverage and the various categories of staff in terms of dispersal or place of work that constitute Equity Bank as:

Table 2: Equity Bank Branch Network

Country	Number of branches	Percentage
Kenya	111	71
Uganda	45	29
Southern Sudan	1	-
Total	157	100

The study established that the majority of Equity Bank staff work in the branches outside the main office.

4.2 Organizational Structure and Organizational Communication

At Equity Bank, the communication department is responsible for the organizational communication of the firm. In addition, the head of communication department (General Manager – Communications) doubles as the Personal Assistant to the Chief Executive Officer

(CEO) of the bank. The organizational communication function is therefore strategically positioned within the organizational structure as it is considered the “most logical and advantageous place for us to sit”⁴

The interview revealed that communication as a function is strategically placed in the bank’s organizational structure. The fact that the General Manager in charge of communication is the Personal Assistant to the Chief Executive Officer technically makes organizational communication function fall under the CEO’s office as he reports directly to the CEO. This shows the value this bank attaches to communication and makes communication a priority in the bank according to the findings. However this is debatable as discussed in the next chapter.

At the Equity Bank the communication department supports the CEO who is the organization’s official spokesman in all his communication functions. The department is also charged with writing speeches for the CEO thus determines the message content.

4.3 Organizational Communication Channels/Tools

The study found out that both traditional and ICT facilitated organizational communication channels at Equity Bank cater for one-way and two-way communication flow. However, ICT communication tools that facilitate one-way flow have the advantage of speed communication in addition to flattening geographical barriers.

There are a myriad of organizational communication channels available to organizations including computer-mediated channels such as email or Intranet, hardcopy publications or face-to-face communication. These are listed below:

- Internal memo
- Meetings
- Seminars
- Notice board announcements

⁴ Interview with Communication Department’s staff outside Jomo Kenyatta Memorial Library, University of Nairobi on 1st August 2009

- Bill boards
- Suggestion boxes
- Letters
- Press
- Fax
- Electronic mail
- Intranet
- Equity TV (Plasma Screens)
- iPhones
- Blackberry
- Teleconferencing
- Short Message Service
- Voicemail
- ATMs

At Equity Bank the main form of face to face communication is through regular staff meeting mostly at management or at branch levels where managers brief the rest of the employees on training, new products and other new developments. This endorses the literature which proposes that direct supervisors are the best source for information and the most preferred by employees (Quirke, 2000). The merits of face to face meetings include immediate feedback and sharing of ideas in a team environment (Howard, 1996), which promotes a closer relationship between a manager and subordinate (Sheer & Chen, 2004). With regular branch meetings the employees at Equity Bank are able to keep abreast with operational information in addition to soliciting feedback on any concerns. This highlights the skill and value of the managerial role to be able to elicit quality feedback and institute any necessary changes as suggested by employees if warranted (Howard, 1996).

The findings suggest a variety of ICT tools are utilized for organizational communication, with the Intranet as the main channel. Intranet is similar to the Internet but is internal to the organization, owned and used only by people within the organization. Using an Intranet, email can be sent internally without the use of an external Internet service. As reported, the Intranet is

used for “announcements, important events and news, and messages from the CEO. It is important to note that these may be complemented by direct email messages from the CEO, depending on the importance and relevance/urgency of the message.”⁵ This finding contradicts the literature, under media richness theory, which suggests, face to face communication is the best mode for urgent or important information (Salmon & Joiner, 2005). However, in an organization of more than 5000 employees like Equity Bank, talking to them face to face would be an insurmountable challenge for any manager.

Besides the Intranet, another computer mediated communication channel in use in this organization is the email. Email is an enormously convenient method of communication. An email message arrives almost instantaneously anywhere in the world. It is very quick and easy to respond to by simply pressing the reply button and writing a message; same message can be sent to several people instantaneously, information documents or photos can be sent as attachments, a message can easily be forwarded to another person.

The use of plasma television in Equity Bank is a new initiative in the Kenyan banking sector as it shows the extent to which the bank has embraced new technologies for organizational communication. These plasma screens are found in all Equity Bank branches and head office. They are used to broadcast their own content which is uploaded on the main server. This channel is used to reach out to both employees and customers as they are also placed in all the banking halls. “The CEO can for example use this channel to communicate to all employees and a good number of customers across all the branches without physically visiting the branches.”⁶

Fixed line telephones are also used at the bank for internal employee communication and some lines facilitate external communication. “This has minimized physical staff movements and messenger services because all employees are connected.”⁷ This technology permits calls transfers of incoming both internal and external calls.

⁵ Telephone interview with an IT staff on 31st July 2009

⁶ Focused Group Discussion with employees derived from the Communication Department on 1st August 2009

⁷ Telephone interview with an employee of Equity Bank on 8th September 2009

iPhones are used both for internal and external communications. These phones offer Short Message Service (SMS) and Voice Mail services. The iPhones enable efficient employee communication where by each employee is assigned his or her number which is a useful feature to support organizational communication. All iPhones must be activated (assigned a telephone number and carrier) before most features become available. Another useful feature with these iPhones "though not fully utilized"⁸ is that the phones can allow audio conferencing. The iPhone is a new phone in the market that is Internet connected and also supports multimedia. It functions as a camera phone, a portable media player similar to a video iPod, and an Internet client (with email and Web browsing connectivity).

An important input by Equity Bank that deserves mention is whereby managers are given free blackberry phones so that they can have full access of the Internet from wherever they will be. This communication idea arises from the fact that these managers are decision makers and information is paramount to decision making.

Automated Teller Machines (ATMs) used by Equity are not only used to dispense cash but are being used by the bank as a tool of communication especially with its customers. When the bank wants to communicate with its customers then the ATMs can handle better. New products and updates are communicated using these ATMs. This is done through printing messages on the reports dispensed to the customers after every ATM transaction. The ATM rooms are also used to post posters on the walls bearing messages targeting its customers.

4.4 Knowledge on the use of ICT and Organizational Communication

100% of respondents were unanimous that all professional employees of Equity Bank are ICT literate whereas just a handful of support staff is able to use computer for organizational communication. Majority of support staff is crippled in computer mediated organizational communication and can therefore only utilize basic traditional ICT facilitated communication tools such as fixed line telephones, mobile phones and SMS available to them. This relatively

⁸ Interview with IT department employee outside Jomo Kenyatta Memorial Library, University of Nairobi on 1st August 2009

high ICT literacy levels especially among the professional staff is largely due to the fact for one to be employed by the bank as professional, adequate ICT knowledge is required.

Equity Bank also conducts training of its staff based on the fact that ICTs are dynamic and it applies specialized ICT systems. However, the training is skewed towards the specialized banking systems and very little is done towards supporting organizational communication.

The bank has support staff that may not be IT literate due to their humble education. Interview with an IT staff revealed that there are several ICT facilitated organizational communication tools at staff disposal and require different levels of skills to use them. Tools like telephones demand simple demonstration of use while the bank has made efforts to have computers at support staff's disposal for self learning and practice to enable them use email and Intranet for organizational communication.

The researcher also observed at the Bank's head offices an employee being assisted by a colleague to open up his email at his working station while others could be seen learning to use computers on their own. This revealed to the researcher that Equity Bank embraces on-the-job-ICT training for its support staff, it relies on its employees as resource persons and ICT knowledge diffusion is via personal relationships as advocated by SNA theory advanced in this study.

4.5 Use of ICT Facilitated Organizational Communication Tools

From the interview with officers from the IT and Communication departments ICT facilitated organizational communication tools like fixed telephone, Intranet and teleconferencing enable real time (synchronous) but co-located communication. Cell phones, teleconferencing, Intranet, iPhones and SMS support real-time communication but distributed. Fax, voice mail, Equity TV and ATM apply asynchronous and co-located.

Some ICT tools such as email and Intranet can be regarded as synchronous, asynchronous, co-located and also remote. If the interaction occurs in real-time, then it is considered synchronous. If the users are communicating with each other in different times, then the groupware is viewed as

asynchronous. This partly explains why the Intranet is the most used channel of organizational communication at Equity Bank.

Table 3: Nature of Use of ICT Tools

Source: Focused group discussion with IT department

	Synchronous	Asynchronous
Co-located	Telephone Teleconferencing Intranet Email	Fax Voice mail Equity TV ATM Email Intranet
Remote/Distributed	Cell Phone Teleconferencing Intranet iPhones SMS Email	

4.6 ICT, Communication Flow and Informal Communication

Informal organizational communication is inevitable and ICT facilitated communication must support this form of communication. Employees tend to avoid use of Intranet for grapevine or personal communication for fear of the possibility of their communication being monitored as Intranet is locally managed at the organizational level by the IT department. Most ICT organizational communication tools support grapevine, as they are personal in their use.

ICT facilitated organizational communication channels at Equity Bank enable two-way communication flow apart from ATM and Equity TV. They support feedback mechanism which is central to effective communication process.

Table 4: Channels and Communication Flow

Communication Flow	Channels
One way	Memos, Notice boards, ATM, Equity TV, Voice mail, Suggestion boxes, Press, Bill boards,
Two way	Meeting, Seminars, Letters, Cell Phones, iPhones, blackberry, Intranet, E-mail, Teleconferencing, SMS

4.7 Impacts of ICT in Organizational Communication

New technologies like the Equity TV, which permit team watching allows team discussion about the message content. This is created by the informal environment when receiving the message “for example when the CEO appears on our TV addressing staff in all the branches, employees watching him can have a discussion about the message as a team instead wondering as an individual.”⁹

From the discussions the study established that adopting ICT for organizational communication Equity bank boasts of what they called “real-time connection.” ICT facilitated organizational communication allows immediate feedback and “distance and geographical location” stopped being a barrier long ago.

“Some few years back the CEO was forced to move from one branch to the other delivering his message to employees but this one barrier has now not only been overcome by technology but also almost impossible today with a network of more than 150 branches scattered across three

⁹ Focused Group Discussion with employees derived from the Communication Department on 1st August 2009

countries. With modern technology, his message can simply be delivered promptly to all the branches thanks to the Equity plasma TVs that broadcast own content.”¹⁰

100% of participants were unanimous that technology has enabled faster decision-making and caused less bureaucracy. “I do not need an appointment to meet my general manager when I need her guidance I simply email, text or even give her a call.” The managers who are decision makers are accessible “all the time.” Literature reviewed also supports this assertion:

“Our ability to communicate at any time in any place with anyone is increasing our opportunities for interaction. Using email, instant messaging, and cell phones, a manager’s ability to stay engaged with the workplace is greater than ever before. In fact, multitasking has become synonymous with the communication technology- infused workplace of today” (Turner and Reinsch, 2007: 36).

“With real-time connection, faster decision making, less bureaucracy then we expect high efficiency and high quality service and that may give the reason of why we are leading the Kenyan market!”¹¹ The researcher was challenged to imagine the huge savings that Equity Bank has made so far as a result of embracing technology in organizational communication. “Just imagine the CEO and other GMs visiting all the branches, posting letters to every customer, logistics accompanying meetings!”¹²

However, from the findings not everything looked flowery for the use ICT in organizational communication. There was a feeling that in as much as ICT facilitates real-time connection, it perpetuates social isolation. They communicate but they still miss each other. Effective communication supporting features like verbal communication cues are not factored in the existing ICT organizational communication tools at Equity bank.

¹⁰ Focused Group Discussion with employees derived from the Communication Department on 1st August 2009

¹¹ Interview with an IT department employee at the Bank’s Main reception on August 1st 2009

¹² Interview with IT department employee outside Jomo Kenyatta Memorial Library, University of Nairobi on 1st August 2009

4.8 Challenges of Using ICT for Organizational Communication

One challenge that cropped up from the focused discussion targeted the Equity Plasma TV where messages were not tailored to specific circumstance but general. The communication department confirmed that it does carry out audience segmentation but the use of Plasma TV does not support this effort. The essence of audience segmentation is to allow message tailoring. The use of TV to broadcast own content falls short of tailoring.

As successful as the Intranet has become, Equity is yet to recognize the risks of only utilizing computer-mediated forms of communication. "There is always a danger of being technology dependant and not thinking about the downstream implications of it."¹³ This is a valid observation which surprisingly is not adequately reflected in recent literature with the focus currently on new technology and the future of technology rather than the potential impact or even the future of historically established modes of communication such as face to face.

Some participants suggested the disadvantage of some of these ICT facilitated organizational communication channels like the email and Intranet being their individualistic nature. Messages go to individual members who end up sitting at their desks without any real discussion with other members about the content.

Equity plasma TV does not allow feedback which is a tenet of effective communication. The message or language being used by the communicator on TV may not be clear to his or her audience and with no opportunity for feedback communication may fail. A good channel should provide opportunity for not just feedback but timely feedback.

The study found out from the interviews that there is an assumption all staff are knowledgeable on ICT and can at least use the ICT facilitated channels at their disposal. However this was contradicted in the focused discussion where participants agreed that despite the knowledge of use of these tools many opportunities are unexploited. "It is when am hearing for the first time

¹³ Focused Group Discussion with IT Department employees on September 8, 2009

that our iPhones can allow audio conferencing.”¹⁴ This clearly shows there may be more potential that have not been exploited fully with adoption of ICT for organizational communication by the bank.

The study established that the staff at Equity Bank perceives that technology as making as making it difficult for them to detach from work even at home or during leisure time. The staff feels that stress associated with their work infiltrates into their homes to the extent of not distinguishing home from office.

On adoption and diffusion of technology within Equity Bank, the study found out that the selection of ICT tools to be used for organizational communication is determined by the Communication department in consultation with IT department. The diffusion of technology is taken care of partly by training but largely via interpersonal communication and relations.

Equity Bank seems skewed towards computer mediated communications which on the other hand requires some skills and training in order to be able to fully utilize. Organizational communication is not limited only to some caliber of staff for example that is computer literate. Support staff at the bank does have adequate IT skills and are therefore locked out of computer mediated organizational communication.

It is very wrong and dangerous to assume on the part of IT that all our staff is computer literate and can use these computer related communication channels. I know for sure some are computer literate in regard to their work and maybe email but cannot fully explore all the communication features in these computer channels.¹⁵

4.9 Strategies and Techniques for Effective Organizational Communication

There was a general consensus that Equity Bank is at par or if not ahead of other Kenyan financial institutions in embracing technology in all in functions including organizational communication. However, they were not contented and they felt a lot need to be done. The communication department seeks to have a Customer Relation System (CRS) that will enable

¹⁴ Focused Group Discussion with employees derived from the Communication Department on 1st August 2009

¹⁵ Focused Group Discussion with IT Department employees on September 8, 2009

customer profiling and segmentation. This will drastically improve external organizational communication with the bank's customer by enabling message tailoring to fit different categories of customers. The ATM for example, will be used to dispense different messages to different categories of customers unlike the current case where all customers receive the same message.

Equity bank was challenged to think of other ICT organizational communication tools that offer platforms for discussion even if they are individualistic. In mind of a participant was blogs for example though individualistic, can offer platform for discussion. This will not assume employees to be passive actors in the organizational communication process.

"We should not limit our leadership to the market but also in adopting modern ICT for organizational communication. I do not think Equity Bank installing teleconferencing technology is a mirage!"¹⁶ The bank should channel more funds to acquire teleconferencing equipment and have Blackberry phones possessed by all employees for effective organizational communication.

The bank should broaden the staff-training horizon by not relegating the use of ICT in organizational training to individual learning or knowledge diffusion via personal relationships. Equity Bank can still carry out formal training on the existing ICT organizational communication tools in order to fully explore their features for the benefit of the bank's organizational communication.

* Focused Group Discussion with IT Department employees on September 8, 2009

CHAPTER 5

5.0 DISCUSSIONS

5.1 Organizational Structure and Organizational Communication

Equity Bank's organizational communication function falls under the communication department. As discussed previously, the literature describes governance of organizational communication factors as varying as different departments claim responsibility. It is suggested in review of the literature that organizational communication can fall under the corporate communication department or human resources department (Argenti, 2007) or even the IT department (Gordon, 1998; Lehmuskallio, 2006).

The head of communication department at Equity Bank doubles as the Personal Assistant to the CEO. The literatures supports this position in the structure by suggesting that visionary messages and in fact visionary leadership plays an important role as far as effective communication and leadership is concerned (Howard, 1996), and encourages employee support by expressing the management challenges, responsibilities within the organization and the overall direction and strategy which makes goals clear, increases employee commitment, and energizes a team.

The above argument of the head of communication being the PA to the CEO may seem captivating on shallow view. However, being the PA to the Chief Executive does not make Communication General Manager superior or any better, if anything she is perceived to be junior to all the other General Managers. She is most likely to be regarded as a mere assistant or just an aide to the CEO. The PA function and position may not add ultimate value to the Communication General Manager and functions.

The communications department manages the CEO's communication functions. However the relative disadvantage of a facilitator role, as argued in the literature, is the assertion by employees that messages from the CEO are in fact developed by communication expert or department rather than the CEO which can surely damage the credibility of future messages and to some extent the reputation of the senior leader (Briggs, 2007)

5.2 Organizational Communication ICT Tools and Their Use

5.2.1 Email

When people use electronic mail for example, they can communicate even when they are not physically or temporally proximate. Thus, it is not surprising that most studies report that the use of electronic mail increased organizational communication (Sarbaugh-Thomson and Feldman, 1998). One of the characteristics of this modern communication technology is the ability to exchange real-time communication from any geographical location, what truly distinguishes its application in organizational communication. This raises questions about the role of ICT in organizational communication.

This communication channel demands some knowledge of computer use which some support staff do not have. This segment of staff is disadvantaged in this mode of organizational communication using email.

Use of email demands Internet access or Local Area Network (LAN) connection which may not be available in some areas especially in rural areas in developing countries such as Kenya. This communication tool may not be reliable in connecting with employees based in areas with no Internet connection, LAN or they can only access their email accounts after sometime therefore diluting the real-time communication advantage of email. Its use is individualistic and perpetuates social isolation.

5.2.2 Intranet

Just like the email, the Intranet facilitates real-time communication. The Intranet permits remote access especially by employees who have travelled abroad or are outside the Local Area Network (LAN) on the World Wide Web. However, this channel has a weakness in terms of

facilitating grapevine or personal communication as it is managed at the organizational level and therefore personal messages may be accessed.

Just like the email, the Intranet use requires some knowledge of computer operation and therefore the fraction of employees that do not have such knowledge unable to use the Intranet for organizational communication.

One factor that promotes the use of the Intranet at Equity Bank is that it is used within the bank and all its branches and head offices are Internet connected, with electricity and standby generators. However, this ICT tool is limited to communication within the organization by majority of Equity Bank employees and therefore officers on leave or out of their workstations without remote access on the WWW are unable to access it until they resume duty. This makes the Intranet to sometimes fall short of real-time communication from any geographical location. Its use is also individualistic and therefore does not give room for discussion but good at persuading an individual.

5.2.3 Blackberry Phones

These are mobile phones given to high level managers who are required to make decisions regardless of where they may be. This allows them to access their emails and also to remotely access the organizational Intranet and make prompt decisions on an issue calling for their attention even when they have travelled where they cannot be reached on their ordinary cell phones.

Organization communication is not all about decision making but also includes information creation and sharing. The idea of giving blackberry phones to senior managers was noble. However, this assumes those employees seeking advice from these managers are always connected to the Internet and not mobile. Non-senior managers are disadvantaged, as they may not be hooked but need to communicate.

5.2.4 iPhones

The iPhone is Internet connected. Internet access is available when the iPhone is connected to the local area Wi-Fi or a wide area GSM network. The iPhone facilitates access to the Microsoft Outlook through the Intranet.

An important feature associated with this technology is its ability to facilitate teleconferencing. Teleconferencing is synchronous, co-located and also remote. This form of conferencing can take place with individuals who are geographically dispersed. For instance, the CEO can have a teleconference with all branch managers scattered in the three countries at the same time.

Teleconferencing offers opportunity for immediate feedback or real-time communication but does not match face to face as it does not permit features like reading body language and gestures that add value to effective communication.

5.2.5 Equity TV

The Equity TV is an Internet Protocol Television (IPTV). IPTV denotes the delivering of TV over IP protocol. IPTV can be transmitted in different networks that are based on the IP protocol. One of the major IP networks is the Internet, but Internet is not the only IP network. Dedicated/Managed IP networks can be established, and in current networks the IP protocol can be used widely without having specific relations to the Internet. One of the examples of dedicated networks is cooperative networks or Local Area Networks (LAN) in firms.

Donaldson & Eyre (2000) supports this initiative by stating that good visual communication can inform, inspire and empower employees and the general audience. However, the relative disadvantage of this channel is that it is arguably a lean channel of communication under the media richness theory restricted to one-way communication channel with no access to immediate feedback.

5.2.6 ATM

In as much as the ATMs have evolved and now being used as channels of communication, this channel does not support a two-way communication flow thus short of feedback mechanism. It is also limited as its application is localized and asynchronous in addition to not supporting audience segmentation. However, it is a mass communication channel and targets only customers.

The use of ATMs for organizational communication falls short of enabling real-time communication, message tailoring, and use of multiple cues. By having the messages printed on the reports dispensed by the machines after every transaction renders its use individualistic, therefore giving no room for discussions or information sharing.

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5.3 Roles and Impacts of ICT Facilitated Organizational Communication

ICT facilitates organizational real time connection. Although media richness theory places some of these ICT facilitated channels like emails as lean tools (Salmon & Joiner, 2005), O’Kane, Hargie & Tourish (2004) strongly argue that traditional channels have been replaced and email is the most preferred channel in the business world. The success of emails is partly due to being able to cross “physical, social, temporal, and psychological boundaries at an astonishing low cost” (Berry, 2006) and also because of its asynchronous nature where the sender and receiver do not have to be in the same location for communication to occur (Thomas et al., 2006).

Mobile workers using ICT tools can be located physically within or without their organizations while still gaining communicative access to people and organizational information. Wireless technology can be used remotely to communicate with other organizational members, clients, partners, and organizational networks and databases. From the wireless device, the end user (employee) improvises or constructs ways of understanding how the technology can support and facilitate organizational communication in connection to his or her job.

ICT facilitated organizational communication tools like Equity TV falls short of message tailoring and timely feedback. According to Daft & Huber (1986) and Dennis & Kinney (1998) there are four factors that influence media richness: The opportunity for timely feedback; the ability to convey multiple cues; the tailoring of messages to personal circumstances; and the language variety.

Some ICT facilitated organizational communication channels such as the Intranet are limited to official formal communication as many respondents felt that it is closely monitored in the name that it is not a blog site. This does not permit grapevine. The large amount of information held within Equity Bank's Intranet is a concern where the danger of information overload is a possibility, with employees sorting through large amounts of information, taking time and energy (Quirke, 2000). It is worth noting that the amount of information that can be stored and presented in an Intranet far exceeds anything that could be done via face to face communication.

Quirke (2001) advises that Intranets should not be considered a replacement for face to face communication. To be specific, he contends that of the three challenges that organizations are trying to face via employee communication – providing information, demonstrating leadership and direction and building a sense of community and team work – only the first challenge is able to be met using the Intranet while the other two strongly require face to face channels. At Equity Bank, face to face communication is limited as it is considered expensive and time consuming. In as much as face to face sessions are vital within an organization as they have “unique advantages over even the best print publications, video programs and email messages” (Howard, 1996:12), they consume a lot of time and bring to a halt some organizational activities. However, Equity Bank's argument that these face to face meetings are time wasters is strongly backed by Quirke (2000: 32) who argues that:

“Time is the most limited resource in most organizations, and better use can be made as precious face to face time which is too often used for the wrong purposes – to tell people things they could easily read about, in meetings which are badly run and boring.”

Most of these ICT communication tools used at Equity Bank promote individualistic use which may hinder wide information sharing. These tools in addition to enabling real-time

can also generate social isolation in the organizational community. Some ICT organizational communication channels like the email and Intranet promote use that is individualistic in nature. Messages go to individual members who are accused of ending up at their desks without any real discussion with other members about the content. This is a barrier to information and knowledge sharing which is very vital in an organizational setting. On the other hand, the individualistic nature of use of these ICT tools is advantageous in terms of the ability to persuade an individual as discussions that may impede persuasion do not

fringe workers' homes and leisure times. Current literature raises the flag about how ICT technologies extend our ability to communicate and make detachment from work difficult, because continuous connection via computers, fax, cellular phones, and pager can easily infiltrate the home to turn home into office" (Gumpert & Drunker, 1998).

Effects of ICT Facilitated Organizational Communication

The function of communication is to establish relations which are the basis of Social Interaction Theory in this study. ICT in one way or another do alter the bounds of human communication which interactions are determined by basic human tendencies. This study established the need to determine whether ICT leads to group integration or polarization. There was general consensus that ICT provides new or previously rare contexts for communication, expression and engagement. "If we can share timely information and communicate with each other wherever we are then we are integrated"¹⁷ seem to have been the binding

finding that Equity Bank communication department is financially constrained, as the limited available funds to acquire better and effective organizational ICT communication tools like video conferencing and providing blackberry phones to all its employees.

¹⁷ Discussion with employees derived from the Communication Department on 1st August 2009

Equity Bank's training lean towards specialized ICT banking systems and very little is directed towards use of ICT in organizational communication. The bank's management assumes that no training is needed towards such direction and this has resulted in the available ICT organizational communication tools such as iPhones features not being fully explored.

Technology seem to be have diffused to the entire organization including support staff. This is supported by Rogers' (1983) observation that innovations that members of a social system (organization) perceive to be better in regard to relative advantage, compatibility, triability and observability and dismally in complexity are easily adopted within the social system.

Communication channel is essential as far as diffusion of innovation theory is concerned. Diffusion is seen as a particular form of communication process (Rogers, 1983). Communication channels are the carriers of the diffusion process, the path through the social system. At Equity Bank the communication channels being applied are interpersonal channels based on interpersonal relationships within social networks and they are essentially effective in persuading colleagues to adopt.

5.5 Strategies and Techniques for Effective Organizational Communication

To combat the size and success of the Intranet, Equity Bank should incorporate processes for expiring content to ensure that information does not stagnate and is removed or archived when it becomes dated.

Organizational communication is not all about technology but technology that supports effective communication. There is need for the bank to do formal measurement of its organizational communication channels, in particular the ICT facilitated ones. It may be reasonable to conclude that a lack of management knowledge exists regarding Equity's organizational communication effectiveness or employee perception of the ICT facilitated communication channels. Hargie, Dickson & Tourish (2004: 425) propose that like a car, an organization runs at it's best when it is regularly serviced and that managers cannot rely on "their own perceptions, or upon what others tell them, to give them a comprehensive, objective and true picture regarding the current state of communications."

In an organization with staff and customers spread across three countries, measuring whether the organizational communication is effective and gaining feedback from employees and clients is important. In fact, audits and other measurement tools “can effect profound improvements in communication, internally and externally (Tourish & Hargie, 2000: 40) and measurement in a way allows management to connect with employees and gain critical feedback on all areas of the organization (Baron, 2005). Therefore without feedback from the bank’s customers and employees it would be difficult to identify the current organizational communication, measure it for effectiveness or determine what areas of the organization need addressing.

Hargie, Dickson & Tourish (2004: 423) warn of complacency and propose that:

“Just because things seem calm on the bridge and the ship is moving ahead, it does not mean that the journey will be smooth. The Titanic operated successfully for most of its only voyage. It is better to chart and circumvent the iceberg than to hope that your ship will miss them.”

Some participants expressed interest in online streaming, adoption of communication technologies such as blogs, podcasts and instant messaging. However, online streaming is individualistic in nature whereby instead of the whole team watching and discussing then provide feedback individuals end up sitting at their desk without any real discussion with other members about the content. Blogs for example though individualistic can offer platform for discussions. A participant from the communication department says this about best practices in communication:

“Remember that people support what they help to create. The person you are talking to is just as interested in talking as listening. Even though you will have a main message that you want to communicate, make sure that you develop enough give-and-take in the conversation to allow your listener to become a part of your own message. When you help a listener to reach a conclusion rather than simply telling them what you want, they are more likely to buy in to the message.”¹⁸

¹⁸ Interview with employee from the communication department on August 1, 2009

Communication is not merely a matter of machines and fast technology. Methods to have interpersonal channels and to make messages more effective have to be given special attention.

The use of ATMs to communicate with customers posed a challenge in terms of sending general messages that are not tailored to specific personal circumstances which is a factor under the media richness theory (Daft & Huber, 1986; Dennis & Kinney, 1998: 258). To make the messages tailored and communication more effective there is need to introduce audience/customer studies and profiling. On a positive note Equity Bank is setting up a Customer Relations Management (CRM) system, which the communication department can exploit to profile its customers to enable it send tailored messages. Some of the attributes may be gender, age, employer, geographical location, and many more. The bank's clientele will benefit from a superlative tailored approach to meeting their needs.

In addition to CRM there is need to acquire a Banking Interaction Center¹⁹ for the bank to manage organizational communication especially with the customers. Banking Interaction Center cooperates nicely with data processing and customer relationship management capabilities. It is a total IP telephony solution designed to improve business communication with bank's customer base. It provides superior customer service with multimedia interaction options and self service automation that can attract and retain customers. The center, if established, can increase productivity for office users, branch employees and mobile workers. It also improves communication control with a unified communications infrastructure, global application deployment across dispersed banking operations, and central administration at headquarters.

Learning never ends and technology keeps on changing. There is need to cope up with these changes. Equity needs to invest in training of its staff especially in technology related aspects. Even with the existing ICT facilitated channels like iPhone not all features have been exploited or made known to users like audio conferencing which is just be a tip of the ice berg. The iPhone for example in addition to supporting audio conferencing, it allows call holding, call merging, caller ID, and integration with other cellular network features and iPhone function.

¹⁹ Source: http://www.avtex.com/docs/BIC_SolutionBlueprint.pdf

Equity should come to terms with the reality and set standards for non face-to-face communication. In today's electronically-driven office environment, much office communication does not involve direct face-to-face conversation, but is buried among the apparently mundane tasks of answering telephones, emails and many others. To avoid communication barriers in these routine office tasks, there is need to set standards for telephone communications, including a standard voicemail greeting for all employees to use, established times for returning business phone calls, and acceptable messages for communicating in regular situations with both co-workers and customers.

CHAPTER 6

6.0 CONCLUSIONS

In summary, the research found out that there are several ICT organizational communication tools in use at Equity Bank. These tools include:

1. Email
2. Intranet
3. iPhones
4. ATM
5. Blackberry Phones
6. Telephones Voice Mail
7. SMS and
8. Teleconferencing

This variety tools support synchronous, asynchronous, located and remote modes of communication. They facilitate both one-way and some two-way communication.

The ICT organizational communication tools play important communication functions such as facilitating real-time communication and decision making. One the other hand some promote individualistic use inhibiting wide information sharing and perpetuates social isolation. In relation to effective communication, they are inferior to the traditional face to face as some of them lack the ability to convey multiple cues; the tailoring of messages to personal circumstances; and the language variety.

The Kenyan banking sector is faced with several challenges in adopting ICT for organizational communication. The communication departments do not have enough funds to acquire more effective ICT tools such as video conferencing and use of blackberry phones across all employees regardless of hierarchy or organizational status. There is less training in use of these tools in order to fully explore their features which can generate techno phobia thus hindering

adoption of ICT. The idea of adopting a certain technology purely lies with management while the rest of the employees are required to make necessary adjustments and adopt.

It is clear that the application of ICT for organizational communication cannot be equal to or a substitute of face to face mode of communication. There is simply more communication when people are physically together than the communication being facilitated by technology. However, ICT remains a panacea to situations where physical meeting is impossible.

The growth and development of information and communication technologies (ICTs) has led to their wide diffusion and application, thus increasing their economic and social impact. Much of today's electronically driven office communication does not involve face-to-face communications. Communication technology is both shrinking that is becoming portable and seamlessly entering everyday technological devices as well as becoming all encompassing and available throughout the world. This continues to have considerable impact on organizational communication. The emergence of new genres, new communication modes will inevitably follow.

In addition, it should be made clear that the new media are not a panacea for organizational communication problems, nor are they a replacement for present modes and channels of organizational communication. ICTs alone cannot provide a comprehensive basis for organizational communication. ICTs must be integrated into present, proven and successful practice if full benefits of their advantages are to be reaped. Their adoption should represent a complement and addition to present tools, contributing to a new evolution towards the concept of a new culture of organizational communication.

6.1 Areas for Further Study

There is need to find out more on the role of ICT facilitated organizational communication beyond enabling information sharing to aspects such as relationship building which is vital in any organization.

A study to investigate how workplace media technologies pervade peoples' lives can provide insights into how work, thanks to technology, can cross into homes and leisure time.

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APPENDIX I: INTERVIEW SCHEDULE

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INTERVIEW SCHEDULE

This is a general interview schedule for key representatives from the communication and IT departments. Additional questions were asked dependent on the direction of the discussion.

- *Could you give a brief background of your organization with employee number, locations and branch dispersal?*
- *What is the role of organizational communication in the organization?*
- *How does your organization see organizational communication fitting within the organizational structure?*
- *What are your main responsibilities in relation to organizational communication?*
- *What are the main organizational communication channels (emphasis on ICT facilitated tools)?*
- *Who uses these tools of communication?*
- *How are these tools used in regard to real time, de-localized, or remote applications?*
- *How does your organization measure the effectiveness organizational communication?*

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- *In your opinion what challenges and opportunities has your organization faced in embracing ICT for organizational communication?*

APPENDIX II: FOCUS DISCUSSION QUESTIONS

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FOCUSED DISCUSSION QUESTIONS

Additional questions were asked dependent on the direction of the discussion.

- *What ICT facilitated organizational communication tools do exist in this organization?*
- *Who uses these channels?*
- *How are these tools used?*
- *When are these tools used?*
- *How do management and staff communicate with staff based out of the main offices or at the branches?*
- *Do these tools enable multi directional organizational communication?*
- *What roles and impacts have ICT had on organizational communication?*
- *What are the challenges and opportunities of adopting ICT in organizational communication?*
- *What techniques and strategies can be put in place in relation to organizational communication to tap full benefits of ICT?*

APPENDIX III: OBSERVATION CHECKLIST

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OBSERVATION CHECKLIST

More observations will be made on site and noted

- *What are the organizational communications channels being applied in the organization?*
- *What ICT facilitated tools are being applied?*
- *Which cadres use these tools?*
- *How are these tools used?*