AN ASSESSMENT OF THE IMPACT OF INTERNAL COMMUNICATION ON EMPLOYEE JOB SATISFACTION
A CASE OF SELECTED SERVICE RENDERING ORGANIZATIONS LOCATED IN DAR ES SALAAM

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PURPOSE
INTERNAL communication is a communication discipline concerned with employee’s engagement at work place and enabling to deliver company objectives. Due to constant developments in business environment and high labour turnover, satisfying employees is becoming a challenge to most managers. Inspired by the need to improve internal communication as a means of ensuring job satisfaction in service organisations, the study sought to assess the relationship between internal communication and employee job satisfaction in service rendering organizations. Specifically, the paper has two objectives: firstly, to examine the relationship between effective internal communication and employee job satisfaction in service industry; and secondly, to explore other factors that affect employee job satisfaction in service rendering organizations. The scope of the study includes Corporate and Rural Development (CRDB) bank, National Microfinance Bank (NMB) bank, and VODACOM limited Tanzania.

Design/Methodology/Approach: A case of selected service rendering organizations located in Dar Es Salaam was used whereby data collection involved primary data and secondary data. In addition, Pearson’s product moment coefficient of correlation (R), was used to measure the nature and magnitude of relationship between the variables. Simple, Multivariate, and hierarchical stepwise regression analysis will be used to test the research questions at 95 percent level of confidence. Simple regression analysis was used to address the first objective of examining the relationship between effective internal communication and job satisfaction.

Findings: The study managed to get a response rate of 74%. The key results indicate a strong link between internal communication and job satisfaction; internal communication is the highest influencer of job satisfaction in service rendering organization; followed by salary, working condition, and recognition. Ideally, a unit increase in internal communication increases job satisfaction by 0.55 units ceteris paribus. This is after accounting for heteroscedasticity and multicollinearity.

Research Limitations/Implications: This case study was limited to three organizations i.e. CRDB bank, NMB bank, and VODACOM limited located at Dar es Salaam, Tanzania. However, given the methodology used, the findings shed light on relationship between internal communication and employee job satisfaction in service rendering organizations.

Practical Implications: The study implies that organizations and respective stakeholders such as managers should concentrate on setting proper communication channels and the enhancement of two-way communication systems through regular meetings. Professionalism mainly through email communication is vital for service rendering organisations.

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**Originality/Value:** The researchers developed the title, objectives, and research questions on their own. They also collected and analysed data and the results of the research are as reported.

**Keywords:** Internal Communication, Employee Job Satisfaction.

**Research Study**

**Background of the Study**

Communication is one of the human needs; in the context of employment, the need to bond well with supervisors and coworkers is an expectation in the psychological contract of nearly every employee. Hence, effective internal communication or organization communication cannot be ignored when job satisfaction is a priority. A service rendering organization cannot afford to undervalue internal communication as it affects how employees serve customers. A satisfied employee serves customers well. According to Emanoil & Nicoleta (2013), “Organizational communication can be defined as an attempt to achieve a common goal through sending and receiving of information”, it is how employees understand their roles and rights in the organization. For this particular research, communication is defined as how information is sent and received within an organization among all level of employees with the aim of achieving the organization goals, mission, and vision.

According to Cornelissen & Christensen (2011), internal communication is significant because each employee represents the organization to the external public. Hence, the brand image of an employee portrays the activities that are done in the organization. It’s important for an organization to have satisfied employees since they are the product deliverers of the organization and how they serve represents how things are done in the organization. It is for this reason that organizations have to examine their internal communication as it is the key element of having satisfied and well-informed employees and to achieve organizational goals effectively.

There has been a great focus on role of external communication in literature with the interest being on the role of advertising and public relations on the corporate brand image of an organization. This corporate image is important to maintain customers in the market. However, the researchers were not able to trace literature on internal communication’s role in the development and maintenance of corporate brand. This research is focused on communication within the organization.

“Good communication leads to increased job satisfaction, safety, productivity, and profits; it decreases grievances and turnover. Companies that attach higher importance to internal communication by setting up a separate ICC (Internal Communication Center) department usually have higher levels of employee engagement” (Chitrao, 2014, p. 1542). Therefore, this study focuses on the examination of internal communication by linking it to job satisfaction especially in a service industry using the case study of the service sector in Tanzania. Therein, we review how employee satisfaction is affected by the communication policy and other factors such as work environment, salary, and recognition. Employee satisfaction is expressed in different dimensions such as their level of happiness, their level of commitment, and their level of motivation to increase effort at work. Various studies (Dhawan, 2015; Khanna, 2017; Lather & Baliyan, 2001; Luther & Jain, 2005; Sharma, 2008; Singh, 2012; Singh & Gupta, 2008; Sing & Jaiswal, 2017; Singh & Kapoor, 2012; Singh & Sachdeva, 2014; Singh & Sharma, 2008a;b;c; Singh, Shankar, & Sachdeva, 2015; Singh & Sharma, 2011; Srivastava, 2002) have highlighted the significance of job satisfaction in the achievement of corporate goals of the organization.

**The Problem**

Due to changes in the market, globalization, and other developments in the society, managing employees is different than before. Today’s employee is different in terms of needs and values compared to earlier decades (Chitrao, 2014). Most researches are conducted on factors of job
satisfaction in general, this research specifically examined if internal communication is related to satisfaction derived by staff from their jobs in service organizations. Hence, this study sought to fill this gap by using the service industry in Tanzania. Data was collected from companies in the banking sector and telecommunication sector.

Organizations set goals to be able to track their performance as they strive to achieve their mission and vision. These goals cannot be attained without human resources interaction at workplace. Are employees satisfied with their jobs? What do they do when they are not satisfied? How does everyone in the organization get to know about these goals?

Specifically, the study aims:

i. To examine the relationship between effective internal communication and employee job satisfaction in service industry.

ii. To explore other factors that affect employee job satisfaction in service rendering organization.

**Significance of the Study**
The importance of this study is in two-fold. First, this study makes a significant contribution to existing literature on the impact of internal communication on employee job satisfaction. Enhancing employee satisfaction is essential because customer care cannot be underestimated in service related organizations. Hence the satisfaction has to begin with the service provider who in this case is the employee. Notably, internal communication is important in determining the satisfaction of an employee.

Secondly, this study aims to impact policy of stakeholders. In this case, information on the significance of internal communication with respect to employee job satisfaction will be important to managers, business owners, and human resource personnel thereby, helping them improve their businesses.

**Scope of the Study**
This study has concentrated on service related organizations using a case study of NMB bank, CRDB bank, and VODACOM (a telecommunication company) in Dar es Salaam, Tanzania. The study was undertaken in 16 weeks. The research assessed internal communication on job satisfaction aimed at finding the relationship and how to improve internal communication to enhance job satisfaction in service organizations. Motivation hygiene theory was used in the discussion on job satisfaction.

**Literature Review**
This section presents brief literature review as shown hereunder:

**Theoretical Framework**

**Herzberg Theory and job Satisfaction**
This theory was developed in the course of determining factors that caused job satisfaction. According to Herzberg, Mausner, & Snyderman (1959, p. 35), “any kind of story you like—either a time when you felt exceptionally good or a time when you felt exceptionally bad about your job.” This theory highlights the workers’ relationship as a hygiene factor (an external factor that causes dissatisfaction). Herzberg, et al. (1959) explains if the relationship with managers and co-workers is not effective then it results into dissatisfaction. On the other hand, when it is achieved it doesn’t cause job satisfaction rather decreases complaints of dissatisfaction. This clearly points out that effective internal communication reduces dissatisfaction and according to this theory it doesn’t cause job satisfaction but it is rather a hygiene factor. In other words, it is a prerequisite of job satisfaction.
This theory supports the importance of effective internal communication in organizations. As cleaning hands before meal increases body hygiene, effective internal communication reduces job dissatisfaction in organizations. Over twelve investigations were done in the same institutions. Herzberg, et al. (1959) divided the dimensions of work into hygiene factors and motivators (dual factor theory). All satisfying events were mentioned as motivators in the interviews as shown below:

- the needs of achievement,
- recognition,
- work itself,
- responsibility,
- advancement, and
- growth.

Hygiene factors were considered to be those that made the employees feel 'exceptionally bad'. They included:

- company policy and administration,
- Supervision,
- relationship with supervisor,
- work conditions,
- salary,
- relationships with peers,
- personal life and relationships with subordinates,
- status and security.

Herzberg et al. (1959) noticed that these factors are primarily disruption in the out of mind activities while the motivators dealt with the mind. The results of this theory were contradictory to the traditional notion of factors affecting job satisfaction which were salary, supervision, and company policy. According to Herzberg et al. (1959), hygiene factors have to be achieved first before the motivators. It is for this case that, managers have to understand how to improve the motivators according to today's employee’s needs, furthermore, there is a need to study each employee as an individual. This requires effective communication to first be able to know the exact motivator and communication itself is used as driver to deliver recognition, need of achievement, responsibility, advancement, and growth.

According to Herzberg et al. (1959), “jobs should be restructured to increase the ability of workers to achieve goals that are related to the organization”. Satisfaction of the job could also be achieved by matching the job an individual is employed for, and his performance capability. Hence the supervisor has a great role in job satisfaction. Though in most cases, workers are not allowed to set personal goals/targets, employees can be left to the means through which they can meet organization goals. This will give employees a greater sense of achievement over their work which will result into job satisfaction. It is for this reason that, job satisfaction is linked to the internal communication of the organization. Job satisfaction is influenced by effective communication. It takes an effective way of communication to convey the message of recognition to an employee.
Empirical Literature Review

**Impact of Internal Communication on job Satisfaction**

Pang (2014) conducted a study which sought to investigate the particular aspects of internal communication that results into job satisfaction in retail organizations at Starbucks branches in Canada. Most of the literature shed light on the value of an employee in a retail organization. Employees are said to be important asset hence, once exposed to appropriate communication (e.g. involving them adequately to face upcoming changes in the organization, giving timely and appropriate feedback) employees become efficient and business succeeds. Results indicated that employees in retail organizations feel more prepared to serve customers when they have sufficient information on time. This study focuses on impact of internal communication on employee job satisfaction in selected service rendering organizations in Dar es Salaam.

Employees are individual with different personality and expectation from their jobs however, the happier a person is with their job, the more satisfied they become. Sridevi & Markos (2010) describes job satisfaction as multidimensional which includes the work environment, pay benefits, promotion, supervisors, and satisfaction with coworkers. Job satisfaction has been defined as how well a job provides fulfillment of a need as a source or means of enjoyment. Robbin & Judge (2010) defines job satisfaction an attitude or feeling about the job. This is the point where job satisfaction makes more meaning when it is studied alongside internal communication. Internal communication plays a major role in job satisfaction. Nevertheless, in some literature these terms job satisfaction, job attitude, and job morale are used interchangeably which implies a lack of standard definition of job satisfaction.

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*Figure 2.1: Herzberg’s Theory Model*

*Source: Herzberg et al. (1959).*
Ally (2014) conducted a study of factors affecting job satisfaction among medical doctors in public hospitals in Tanzania. The results of the study depict that poor supervision and cooperation caused low job satisfaction among doctors in Tanzania. Moreover, results show the relationship between job satisfaction and performance. The methodology used was interview, observation, and discussion with the doctors. Our study has discussed the role of communication in influencing satisfaction within other service rendering organizations apart from hospitals.

**Measuring Communication**

According to Meintjes & Steyn (2006), Down & Hazen (1977), developed a tool of measuring internal communication at work place. The Communication Satisfaction Questionnaire (CSQ) tool has 88 questions and it’s divided into eight categories:

i. supervisor-subordinate communication,
ii. co-worker communication,
iii. communication climate,
iv. corporate information,
v. personal feedback,
vi. organizational integration,
vii. media quality, and
viii. general organizational perspective.

This model was not used in this research however, the questions in the questionnaire reflect similar categories.

According to Chitrao (2014, p. 1541), “today’s workforce is inundated with useless information from multiple sources. Ensuring connectivity in such a rapid environment is a major challenge. The study found out that employees prefer face to face interaction at all levels of the organization. 90 percent of the employers said that it is important to talk to employees daily.” This prompts the importance of studying internal communication with respect to employee job satisfaction in service rendering organization. Measuring how much and which information an employee receives at work place can be very challenging for managers, hence, proper channels of internal communication have to be used. Most organizations formulate a communication policy. For example, National Bank of Commerce reviews its communication policy yearly. A communication policy can be used as a strategy to measure the communication conditions in an organization.

**Barriers to Communication**

Communication channel between employees and employers must be accurate and effective otherwise a breakdown occurs. Communication barrier in an organization may include language factors, physical factors, emotional misinterpretation, and cultural difference. When these barriers exist, effectiveness of communication tends to decrease or in other words, internal communication becomes ineffective which results in low job satisfaction among employees. Ineffective communication and job dissatisfaction caused by barrier of communication can highly hinder the focus of employees and organization in general in providing quality service to customers (Ramrez & Waggoner, 2010).

**Internal Communication as a Strategy**

Internal communication can be costly in terms of time and money however, it should be done strategically. Hayase & Kalani (2009) emphasizes that strategic communication goes beyond celebrating birthday or new birth in the family of an employee. Internal communication ought to
be treated strategically like public relations and advertisements. Gone are the days that managers are just aware of the link between internal communication and job satisfaction, there is a need to examine the real factors of job satisfaction and moreover, learn how to effectively communicate these factors. Effective internal communication not only influence job satisfaction but also attract more customers.

According to Grossman (2016), “communication is an instrument of strategy as well as a strategy in itself. An instrument of strategy because it helps company management to share the company mission, vision, and values with employees and it’s a strategy because it will help to achieve objectives/goals. Effective internal communication creates a sense of community, builds trust with employees, it promotes a conducive environment that helps in engaging employee towards making business successful.” Effective internal communication strategy helps employees understand organizational vision and how they could be part of its achievement. This improves labor productivity and adds value to their jobs.

Strategically, leaders work better when they know the need of their employee’s and the possible means to meet them. Employees are individuals who are motivated with different rewards with effective internal communication, managers can learn on what exactly motivates and individual thus help, inspire, and engage them. Internal communication enables employee engagement, which is a continuous journey that should be understood and planned well by managers. Managers have to work daily interacting effectively through an open communication culture.

**Communication Policy**
Effective communication ought to be a goal of any organization thus, clear plans of how to communicate new idea, how to inform employees on when implementation should start, and when outcomes are measured should be shared effectively throughout the organizational hierarchy. Setting clear channels of communication is considered important to minimize miscommunication furthermore, it is important for organizations not to be silent since it forces employees to speculate and listen to grapevine which build up wrong perception of employee towards their managers or supervisors. Effective communication is the remedy in times of challenge, a key to sustain an organization (Hayase, & Kalani, 2009).

**Knowledge Gap**
According to an employee, communication survey done in New York suggest that 65% of employees agreed that how an employer communicates with them impacts their job satisfaction. Hence, the results showed that employers have an opportunity to increase engagement and reduce revenue loss simply by changing the way they communicate. The survey was done in a developed country, therefore, there is scope for accessing the applicability of results in developing countries. The current study aims at analyzing communication and job satisfaction link in service industry in Tanzania. According to Den Hartog, Boon, Verbug, & Croon (2012), “there is a relationship between employee engagement and internal communication and it is said to be positive relation.” The current study seeks to find out if at all internal communication is linked to job satisfaction in service industry in Tanzania.

Chitrao (2014) and Pang (2014) researched on the internal communication and factors affecting job satisfaction however, the focus was on retail sector and it was not done in Tanzania. Moreover, they relied on qualitative methodology. This research is done in Dar es Salaam, Tanzania and data was collected with the help of questionnaire more than interviews, observations, and discussions.

In organizations, job satisfaction is not but a problem related to multiple factors. This study has focused on the link between effective internal communication and job satisfaction in service related organization in Dar es Salaam, Tanzania.
Job satisfaction is a dependent variable which links to independent variables; internal communication, recognition, salary, working environment, and other factors that are pointed out by respondents of the questionnaires. The researchers decided to assess each independent factor separately by using correlation analysis and regression analysis. The data was further accounted for heteroscedasticity and multicollinearity tests. The intervening variables were used to answer the last research question of how can internal communication be improved.

Research Methodology
This section presents the methods and approaches used by the researchers to make the study a success. The section is divided into six subsections as shown below:

**Research Design**
According to Cooper & Schindler (2014, p. 124), "Research design is the plan and structure that is used to analyze the subject matter under study with the intention of fulfilling the research objectives. It is the blueprint that guides the overall study to achieve the research objectives as well as answer the research questions." A descriptive research design was used in this study because according to Mugenda & Mugenda (2003), it analyse and reports the facts as they are. In addition, this approach enabled us to collect detailed information to ease data analysis.

**Population and Sample Size**
Castillo (2009) defines a population as “the entire or total number of objects or individuals being studied by a researcher.” Kruger (2001) echoed Castillo’s sentiment that “a population is composed of the total number of elements which a researcher seeks to determine or draw influence from.” The population in the current study was 250 employees of which 30 employees where from CRDB bank, 20 from NMB bank, and 200 from Vodacom. The sample size (30% percent of the study population) was found to be reasonable in number, manageable, and affordable in collecting and analyzing data within a given time. This approach gave a total 75 respondents among which 5 were expected to respond to unstructured interview and 70 were earmarked for questionnaires.
Data Collection
Semi structured questionnaires were used to collect primary data as well as secondary data. The questionnaires were developed in line with the study objectives.

Data Analysis Procedures
Since this study was carried out using qualitative method, then data analysis process was done through regression analysis.

Operationalization of Study Variables
The variables under scrutiny in this study are operationalized as outlined to enable the researcher measure their relationships quantitatively. Demographics of employees and communication culture plays the independent role while working environment, recognition at work, and salary are the dependent variables.

Data Analysis
After data collection exercise, the researchers edited and coded the information before data entry in to the Statistical Package for Social Sciences (SPSS) version 21 which aided data analysis together with Microsoft Excel. Descriptive statistics included frequency distribution, mean scores, and standard deviation. The nature and magnitude of relationship between the variables were measured using the Pearson’s coefficient of correlation (R). Using 95% level of confidence, simple regression analysis was used to test the research questions to address the first objective of examining the relationship between job satisfaction and communication within the studied organizations. In addition, the coefficient of determination ($R^2$) which provide the proportion of variance in the dependent variables was calculated to aid data analysis.

The regression equation is presented as:

$$Y_i = \alpha_0 + \alpha_1 X_1 + \alpha_2 X_2 + \alpha_3 X_3 + \alpha_4 X_4 + \varepsilon_i \quad \text{.......................................................... (Equation 1)}$$

where:

\begin{align*}
Y_i & \quad \text{Job satisfaction} \\
X_1 & \quad \text{Internal communication} \\
X_2 & \quad \text{Salary} \\
X_3 & \quad \text{Recognition at work} \\
X_4 & \quad \text{Working environment} \\
\varepsilon_i & \quad \text{Error term}
\end{align*}

$\alpha_0$ is a constant while $\alpha_1$, $\alpha_2$, $\alpha_3$, and $\alpha_4$ are regression coefficients for internal communication, salary, recognition at work, and working environment respectively.

Data diagnostics test such as normality, multicollinearity, and heteroscedasticity (Gujarati & Porter, 2009) were done to determine the appropriateness of the data analysis method chosen prior to commencing any regression analysis. Normality test of the data was established using Shapiro-Wilk test. Multicollinearity between variables was tested using Variance Inflation Factors (VIF). Heteroscedasticity was tested using the Breusch-Pagan-Godfrey Test.

Research Findings and Discussion
This section presents the findings and discussion of the study which narrates the impact of internal communication on employee job satisfaction in the service industry in Tanzania.
Demographic Characteristics of Respondents

Respondents’ Gender and Age
Male respondents were more than female respondents, 61% and 39% respectively. This is critical in ensuring diversity in terms of gender. Slightly below a half of the respondents were aged between 31 and 40 years. This was closely followed by those aged 21 to 30 years at 45%. The least cohort was aged between 41 to 50 years at 8%. This shows that majority working in the service sector in Tanzania are between the age of 21 and 40 years.

Job Title
56% of respondents were subordinates while 44% were managers/supervisors. The study intended to gather more data from subordinates’ point of view hence, these results have met the objectives of the study.

Duration of Working
About 82% of employees worked between 1 and 10 years while 10% worked for over ten years. Moreover, only 8% worked for less than 1 year. Hence, having many respondents who have worked for at least 1 year means that the respondents can be trusted and are assumed to be familiar with the communication policy of their organization. Moreover, the 2 respondents of qualitative data are managers whose work duration is over 9 years in their respective department, the working duration is significant.

Level of Education
The majority of the respondents (52%) were bachelors’ degree holders, followed by post graduate degree holders (38%), while those with diploma were only 10%. None of the respondents had an education level below diploma. This indicates that majority of employees in the service industry in Tanzania have a degree and literacy level is critical for employment.

Descriptive Statistics

Relationship between effective communication and job satisfaction of employees in service industry

- Communication Culture
Table no. 1 shows results of first objective that there is a positive relationship between effective internal communication and employees’ job satisfaction in service organizations. More than 53% of employees were satisfied with how they got to know the communication policy of their company. This is consistent with 54% of employees who were satisfied with the implementation of the policy.

<table>
<thead>
<tr>
<th>Item</th>
<th>Yes (%)</th>
<th>No (%)</th>
<th>Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are you aware of the communication policy of your organization?</td>
<td>94%</td>
<td>6%</td>
<td>1.058</td>
<td>0.2354</td>
</tr>
</tbody>
</table>

Key: S.D. = Standard Deviation

Table no. 1 show that 94% of service industry employees are aware of the communication policy in their organization. Internal communication is guided by communication policy; hence, awareness of the policy answer is significant. A 94% rate of awareness can lead to accurate results to whether internal communication affects service industry employees’ job satisfaction. The mean for awareness is 1.058 and a low standard deviation of 0.2354 is recorded, meaning that the data is more reliable,
the data is closer to the mean. Moreover, qualitative results from the interview showed manager’s great awareness of the communication policy of the organization.

Table no. 2 show that more than a half, 53% of the employees were satisfied with how they got to know the communication policy of their organization. This means that the channel used to deliver the communication policy to employees was effective despite of majority not participating in formulating the policy, 54%. 51% of the employees are satisfied with the implementation of the communication policy. This alludes the positive relationship between communication and employees’ job satisfaction in the service industry. Satisfaction of implementation has the highest mean at 3.596 while participation in policy formulation has the least at 2.413. They equally have the respective lowest and highest standard deviations at 0.9007 and 1.4541 respectively.

Table No. 2: Those who said YES

<table>
<thead>
<tr>
<th>Item</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N.A</td>
<td>S.E</td>
<td>M.E</td>
<td>L.E</td>
<td>V.L.E</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are you satisfied with how you got to know the policy?</td>
<td>2</td>
<td>10</td>
<td>35</td>
<td>35</td>
<td>18</td>
<td>3.571</td>
<td>0.9789</td>
</tr>
<tr>
<td>Do you participate in formulating the policy?</td>
<td>41</td>
<td>13</td>
<td>22</td>
<td>11</td>
<td>13</td>
<td>2.413</td>
<td>1.4541</td>
</tr>
<tr>
<td>Are you satisfied with the implementation of the policy?</td>
<td>2</td>
<td>4</td>
<td>43</td>
<td>34</td>
<td>17</td>
<td>3.596</td>
<td>0.9007</td>
</tr>
</tbody>
</table>

Key: N.A= Not at All, S.E= Small Extent, M.E=Moderate Extent, L.E=Large Extent, V.L.E=Very Large Extent, S.D.= Standard Deviation

According to table no. 3, 50% of the respondents were not aware of the communication policy because the communication channel used to communicate the policy was not clear. 50% of the respondents were not aware of the policy because they did not take part in formulating it. 75% of the respondents who were not aware of the policy think that it is important to have a communication policy. All the respondent agreed that two way communication is encouraged in their organization. Importance of having a communication policy had the highest mean of 4.500 while “not being involved” in formulating the policy had the lowest mean of 3.250; the item stating whether the two way communication is encouraged had the lowest standard deviation while the item of involvement of employees in formulating the communication policy recorded the highest standard deviation of 0.5000. However, results from qualitative data (interview) show that the communication policy is shared with the employees via email and trainings are conducted to ensure every employee understands the policy. Results from an international organization indicated that they have one communication policy which is meant to guide from local to international branches. Also, when it comes to implementation, culture of a respective country is a factor that interferes with the policy.

To improve internal communication, the study shows that the following factors should be considered: two way communication, enhancing professionalism at work place, training workers on effective internal communication, adopting a simple and practical communication policy, enhancing social interactions, and lastly introduction of open door policy. These are the ways suggested to improve internal communication so as to achieve employee job satisfaction.

About 37% of the respondents proposed two way communication, 29% proposed enhancement of professionalism as a preferred communication channel, 17% proposed training about communication
and having a simple and practicle communication policy. 12% proposed enhancement of social interaction within the organisation while 10% proposed the open door policy as a way of improving internal communication. These proposed communication strategies are preferred to be achieved through regular meetings and emails. This indicates that effective communication that satisfies employees is through face to face interaction in regular meeting backed up with emails. Regular meting is a traditional way of communication that seems to be the preferred way of effective communication even in today's organisation. 37% of the respondents preferred regular meeting and also 37% of the respondents preferred emails.

**Job Satisfaction**

Table no. 4 show that more than 60% of the employees in service industry are satisfied with their job. More than 60% again are happy with their job and are committed to their job. The percentage is consistent indicating reliability of the data. 62% of the employees are motivated to increase effort at work.

**Table No. 4: Job Satisfaction Level**

<table>
<thead>
<tr>
<th>Percent (%)</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item</td>
<td>N.A</td>
<td>S.E</td>
<td>M.E</td>
<td>L.E</td>
<td>V.L.E</td>
<td></td>
<td></td>
</tr>
<tr>
<td>How satisfied are you with your job?</td>
<td>2</td>
<td>-</td>
<td>36</td>
<td>38</td>
<td>24</td>
<td>3.820</td>
<td>0.8734</td>
</tr>
<tr>
<td>How happy are you with your job?</td>
<td>2</td>
<td>4</td>
<td>31</td>
<td>35</td>
<td>28</td>
<td>3.824</td>
<td>0.9530</td>
</tr>
<tr>
<td>How committed are you to your job?</td>
<td>2</td>
<td>-</td>
<td>15</td>
<td>38</td>
<td>46</td>
<td>4.250</td>
<td>0.8629</td>
</tr>
<tr>
<td>Are you motivated to increase your effort at work?</td>
<td>2</td>
<td>6</td>
<td>31</td>
<td>29</td>
<td>31</td>
<td>3.824</td>
<td>1.0140</td>
</tr>
</tbody>
</table>

Table no. 5 show that more than 60% respondents are satisfied with their job because of the relationship they have with their supervisor and 60% are satisfied with their jobs because of the channel of communication. 76% said that working environment highly affect their job satisfaction. Recognition is said to exert lesser influence on their job satisfaction.
The study by Pang (2014) suggest that employees are more driven to serve customers when they have the right information which is supported by the results of our study as well. Also, the findings of our study collaborates with Herzberg theory of motivation, relationships at work place are hygiene factors they reduce dissatisfaction and they create pleasant environment for motivators function and end up achieving job satisfaction.

The findings show that there is a strong positive relationship between communication and employees’ job satisfaction within service rendering organizations in Tanzania. Employees expect managers to initiate smooth communication in the organizations, even for those who were not aware of their company’s communication policy depended on effective internal communication as their main source of job satisfaction.

Other factors that affect employee job satisfaction in service rendering organization

The second objective of this research was to examine other factors apart from internal communication that causes job satisfaction. These are rated as shown in table no. 4, from Herzberg’s theory, these other factors belong to both sides- motivators and hygiene.

Bonus and allowance was proposed as another factor that influence job satisfaction by 39%, these are allowances such as health insurance. 35% proposes capacity development as a factor that influence job satisfaction too. By capacity development, respondents meant job enrichment/ promotions and chance to further their studies. 15% proposed other factors such as job security (employment contract), geographical location of the organization, and cooperation with fellow employees at work place. While, 7% proposed work life balance as a factor that influence job satisfaction. By work life balance, it means flexibility of the job to enable an employee to have time for family affairs. Lastly, 4% proposed office competition a factor that contributes to their job satisfaction.

From the qualitative results, managers agree that employee job satisfaction is important in their business as it helps to deliver objectives, increases employee creativity at work, and it increases moral at work place. Majority of employees in service rendering organization achieve job satisfaction through effective communication apart from other factors, these organizations deal with service provision meaning effective communication is crucial for daily business operations. This is consistent with the results of the study conducted by Ally (2014) about the factors affecting job satisfaction.

### Table No. 5: Other factors of Job Satisfaction

<table>
<thead>
<tr>
<th>Percent (%)</th>
<th>Item</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N.A</td>
<td>S.E</td>
<td>M.E</td>
<td>L.E</td>
<td>V.L.E</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How satisfied are you with your relationship with your supervisor/senior?</td>
<td>-</td>
<td>4</td>
<td>31</td>
<td>31</td>
<td>33</td>
<td>3.941</td>
<td>0.9036</td>
<td></td>
</tr>
<tr>
<td>How satisfied are you with the channel of communication in your organization?</td>
<td>4</td>
<td>10</td>
<td>36</td>
<td>26</td>
<td>24</td>
<td>3.560</td>
<td>1.0910</td>
<td></td>
</tr>
<tr>
<td>How important is salary to your job satisfaction.</td>
<td>-</td>
<td>6</td>
<td>32</td>
<td>30</td>
<td>32</td>
<td>3.880</td>
<td>0.9398</td>
<td></td>
</tr>
<tr>
<td>How important is your working environment to your job satisfaction?</td>
<td>-</td>
<td>2</td>
<td>22</td>
<td>38</td>
<td>38</td>
<td>4.120</td>
<td>0.8241</td>
<td></td>
</tr>
<tr>
<td>How important is recognition to your job satisfaction?</td>
<td>-</td>
<td>6</td>
<td>32</td>
<td>22</td>
<td>40</td>
<td>3.960</td>
<td>0.9889</td>
<td></td>
</tr>
</tbody>
</table>
among medical doctors in public hospitals in Tanzania. The study highlighted that poor supervision and cooperation are some of the factors that affect doctor’s job satisfaction level in Tanzania.

Table No. 6: Smoothness of current communication

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>28</td>
<td>54%</td>
</tr>
<tr>
<td>Average</td>
<td>5</td>
<td>10%</td>
</tr>
<tr>
<td>No</td>
<td>7</td>
<td>14%</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>77%</td>
</tr>
</tbody>
</table>

Table no. 6 show that, twenty eight out of forty who answered the question said yes the communication in their organization is smooth; that is fifty four percent. On the other hand, five respondents that is ten percent said the communication is average meaning not too good or too bad. Seven respondents that is fourteen percent said that the communication in the not smooth.

The study shows that 35% of the respondents believe that communication is smooth in their organization and it makes them feel involved, 15% believe that clear communication increases motivation. 12% of the respondents believe that the communication is smooth because there is clear path of communication. 8% of the respondents are of the view that work life balance is the reason that communication is smooth. 2% of the respondents said that lack of information caused by the current communication affect their performance, achievement, and personal satisfaction. Delay in receiving information or feedback is a great hindrance in communication and it affects performance, achievement, and personal satisfaction.

Generally, the other factors that cause job satisfaction are salary, the need of capacity development, work life balance, and office completion. These factors are also supported by Herzberg theory of motivation, only that they are put into two categories (hygiene and motivator), this research results have shown that these factors have to be strategically put into function to achieve job satisfaction. Internal communication, salary, and work environment are hygiene factors hence, they need to be achieved first before recognition (motivator). Other factors of job satisfaction include capacity development, office completion, and work life balance.

Diagnostic Tests

These are pre-regression analysis test that establish the validity of the data. The main task is to ensure that the data fulfills the assumptions of the Linear Regression Model. According to Greene (2012) and Gujarati & Porter (2009), these assumptions are (considering our data is cross-sectional); homoscedasticity (constant variance), normality; and lack of multi-collinearity. Results of these tests are as follows:

Normality Test

Normality test arises from the assumption that the error term is distributed normally with a zero mean and a constant variance. Meeting this assumption helps to ensure that estimators not only remain BLUE, i.e. Best Linear and Unbiased Estimators, but also establishing that estimates are normally distributed which facilitates making of inferences using t and $F$ test (Gujarati & Porter, 2009).

This study used the Shapiro-Wilk test to establish normality of variables. The null hypothesis is that of normality while the alternative lacks normality. The rule of the thumb is that, if the
Shapiro-Wilk test p-value is greater than 0.01 then the hypothesis that the data came from a normally distributed population holds. Conversely, if Shapiro-Wilk test is less than 0.01, then the data significantly deviates from a normal distribution.

**Table No. 7: Shapiro-Wilk Normality Test Results**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Observation</th>
<th>W</th>
<th>V</th>
<th>Z</th>
<th>Prob&gt;z</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job satisfaction</td>
<td>51</td>
<td>0.90722</td>
<td>4.432</td>
<td>3.179</td>
<td>0.00074</td>
</tr>
<tr>
<td>Internal communication</td>
<td>51</td>
<td>0.97456</td>
<td>1.215</td>
<td>0.416</td>
<td>0.33855</td>
</tr>
<tr>
<td>Salary</td>
<td>50</td>
<td>0.97734</td>
<td>1.066</td>
<td>0.136</td>
<td>0.44590</td>
</tr>
<tr>
<td>Working environment</td>
<td>50</td>
<td>0.96074</td>
<td>1.847</td>
<td>1.308</td>
<td>0.09543</td>
</tr>
<tr>
<td>Recognition</td>
<td>50</td>
<td>0.96699</td>
<td>1.552</td>
<td>0.938</td>
<td>0.17412</td>
</tr>
</tbody>
</table>

Key: A variable is normal if its p-value is greater than 0.01.

According to Table no. 7, only job satisfaction did not meet the criteria of normality of the five variables. However, according to Greene, (2012, p. 64). “whereas, normality is one of the assumptions of the Classical Linear Regression Model, it is negligible”.

**Heteroscedasticity Test**

This test arises from the assumption that the error term should be constant, that is homoscedastic. The opposite, which is heteroscedasticity tends to make estimators inefficient as the variance of the estimator is no longer the minimum value that can be obtained (Greene, 2012; Gujarati& Porter, 2009). This study used the Breusch–Pagan–Godfrey Test where the null hypothesis is that of homoscedasticity (constant variance) while the alternative is that of heteroscedasticity. Hence, homoscedasticity is accepted if the calculated p-value exceeds the critical p-value, 0.05 in this case. On the other hand, there is heteroscedasticity if the critical value exceeds the calculated p-value. Results are presented in table no. 8.

**Table No. 8: Heteroscedasticity Test**

<table>
<thead>
<tr>
<th>Breusch-Pagan / Cook-Weisberg test for heteroscedasticity</th>
<th>Ho: Constant variance</th>
<th>Variables: fitted values of Job Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi²(1) = 0.04</td>
<td>Prob &gt; chi² = 0.8398</td>
<td></td>
</tr>
</tbody>
</table>

**Multicollinearity Test**

Multicollinearity is a violation of the CLR assumptions and it means that there exists an exact or an almost perfect linear relationship among independent variables (Greene, 2012). Ideally, the main problem of multicollinearity is that it results in inefficient estimators. This means that an estimator no longer has the least variance but rather has a big variance. This in turn affects inference of the t-test.

This study used the Variance Inflation Factor (VIF) to test for multicollinearity. The rule of the thumb is that, a VIF of more than 10 indicates presence of multicollinearity. Conversely, tolerance which is 1/10, indicates that a value equals to or less than 0.1 signals presence of multicollinearity as shown in table no. 9. It is clearly shown that there is no problem of multi-collinearity in this study because all VIF values are below 10. This means that all variables meet the rule of the
Gilliard Loth and Neema Mush

thumb and our regression results are reliable. Closely related to multi-collinearity, is correlation which is discussed in next section.

Table No. 9: Multicollinearity Test

<table>
<thead>
<tr>
<th>Variable</th>
<th>VIF</th>
<th>1/VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working environment</td>
<td>2.17</td>
<td>0.461033</td>
</tr>
<tr>
<td>Salary</td>
<td>1.78</td>
<td>0.562463</td>
</tr>
<tr>
<td>Recognition</td>
<td>1.62</td>
<td>0.618396</td>
</tr>
<tr>
<td>Internal communication</td>
<td>1.22</td>
<td>0.818618</td>
</tr>
<tr>
<td>Mean VIF</td>
<td>1.70</td>
<td></td>
</tr>
</tbody>
</table>

Correlation Analysis

Correlation analysis measures the degree of association between variables. It is formally represented as $r$ and its values range between negative one and positive one ($-1 \leq r \leq 1$). The closer the value gets to -1 implies a strong negative relationship while the closer it gets to 1 implies a strong positive relationship. It is formally presented as (Gujarati & Porter, 2009):

$$r = \frac{n \sum X_i Y_i - (\sum X_i)(\sum Y_i)}{\sqrt{[n \sum X_i^2 - (\sum X_i)^2][n \sum Y_i^2 - (\sum Y_i)^2]}}$$

Where $n$ is the sample size, $X_i$ is the X observation while $Y_i$ is the Y observations.

This study used Pearson’s Correlation to test the relationship of variables at one percent level of significance. Results are as table no. 10.

Table no. 10 suggest that all variables positively impact job satisfaction. This means that internal communication, salary, working environment, and recognition increase job satisfaction. Internal communication has the highest magnitude (0.737) followed by recognition, working environment, and lastly salary. It is important to note that, whereas all variables positively impact job satisfaction, only salary has an insignificant relationship with job satisfaction. This is an indication that salary is not important in determining job satisfaction and perhaps it is an obvious factor for job satisfaction. Moreover, Herzberg et al. (1959) two factor theory suggest that salary lies in the hygiene factor hence, it is not a motivator of job satisfaction. Despite internal communication has been in the hygiene factor list of Herzberg theory, this research reveals that it is a significant factor of job satisfaction hence, it qualifies to be called motivator of employee job satisfaction.

The significant relationships exist between job satisfaction and internal communication (0.737), salary and working environment (0.641), and recognition and working environment (0.627). As a recap to multi-collinearity, given that all correlation coefficients are below 0.8, there is no presence of multi-collinearity. Multi-collinearity could have been suspected if any correlation coefficient had a coefficient of more than 0.8 (Gujarati & Porter, 2009).

Sample Adequacy

This section assessed the adequacy and suitability of our data using the Kaiser-Meyer-Olkin (KMO) Test. Subsequently, sphericity was established through the Barlett’s Test. 0.5 is the threshold of adequacy, i.e., a KMO value of equal to or more than 0.5 indicate data is suitable and it is unsuitable
if the KMO value is below 0.5 (Field, 2000). Thereafter, a Factor Analysis, specifically the Principal Components Method (PCM) was conducted to establish the number of statements that should be compressed into one. Lastly, the reliability of the statements selected from the Factor Analysis is established through the Cronbach Alpha Test.

Table No. 11: Correlation Analysis

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Job Satisfaction</th>
<th>Internal Communication</th>
<th>Salary environment</th>
<th>Working environment</th>
<th>Recognition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Satisfaction</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>0.737**</td>
<td>0.243</td>
<td>0.448**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>51</td>
<td>0.000</td>
<td>49</td>
<td>49</td>
<td>49</td>
</tr>
<tr>
<td>Internal Communication</td>
<td>Pearson Correlation</td>
<td>0.737**</td>
<td>1</td>
<td>0.378**</td>
<td>0.317**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
<td>51</td>
<td>0.007</td>
<td>0.025</td>
<td>0.005</td>
</tr>
<tr>
<td>Salary</td>
<td>Pearson Correlation</td>
<td>0.243</td>
<td>0.378**</td>
<td>1</td>
<td>0.641**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.092</td>
<td>0.007</td>
<td>50</td>
<td>49</td>
<td>49</td>
</tr>
<tr>
<td>Working environment</td>
<td>Pearson Correlation</td>
<td>0.448**</td>
<td>0.317</td>
<td>0.641**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.001</td>
<td>0.025</td>
<td>0.000</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Recognition</td>
<td>Pearson Correlation</td>
<td>0.458**</td>
<td>0.393**</td>
<td>0.397**</td>
<td>0.627**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.001</td>
<td>0.005</td>
<td>0.005</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>49</td>
<td>50</td>
<td>49</td>
<td>50</td>
<td></td>
</tr>
</tbody>
</table>

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

*. Correlation is significant at the 0.05 level (2-tailed).

Table No. 11: Job satisfaction-KMO and Sphericity Test Results

| KMO and Bartlett’s Test                  |                             | 0.834    |
| KMO and Bartlett’s Test                  | Kaiser-Meyer-Olkin Measure of Sampling Adequacy. |                             |
| Bartlett’s Test of Sphericity            | Approx. Chi-Square          | 129.348  |
|                                          | Df                           | 6        |
|                                          | Sig.                         | 0.000    |

Table no. 11 show that the KMO statistic was 0.834 which is above the rule of thumb, 0.5 (Field, 2000). Furthermore, a very significant measure of sphericity was established by the Bartlett’s Test indicated by a high $\chi^2$ (Chi-square value) at a p-value of less than 0.01 and one degree of freedom. These findings justify the need for conducting further analysis.
Table No. 12: Job Satisfaction Factor Analysis Component Matrix

<table>
<thead>
<tr>
<th>Component Matrix</th>
<th>Component</th>
</tr>
</thead>
<tbody>
<tr>
<td>How satisfied are you with your job?</td>
<td>0.937</td>
</tr>
<tr>
<td>How happy are you with your job?</td>
<td>0.909</td>
</tr>
<tr>
<td>How committed are you to your job?</td>
<td>0.873</td>
</tr>
<tr>
<td>Are you motivated to increase your effort at work?</td>
<td>0.831</td>
</tr>
</tbody>
</table>

Table no. 12 show that all statements on job satisfaction should be compressed into one because their coefficients are above the 0.5 threshold. The test of reliability, Cronbach Alpha, confirmed the suitability of the four statements for analysis, with a coefficient of 0.907 as shown in table no. 13.

Table No. 13: Reliability Analysis for Job Satisfaction

<table>
<thead>
<tr>
<th>Components</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach’s Alpha</td>
<td>0.907</td>
</tr>
<tr>
<td>Number of Items</td>
<td>4</td>
</tr>
</tbody>
</table>

*Internal Communication*

Table No. 14: Internal Communication KMO and Sphericity Test Results

<table>
<thead>
<tr>
<th>KMO and Bartlett’s Test</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</td>
<td>0.500</td>
</tr>
<tr>
<td>Bartlett’s Test of Sphericity</td>
<td></td>
</tr>
<tr>
<td>Approx. Chi-Square</td>
<td>36.347</td>
</tr>
<tr>
<td>Df</td>
<td>1</td>
</tr>
<tr>
<td>Sig.</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Table no. 14 show the KMO statistic value of 0.500 which is at the margin of the rule of thumb, 0.5, as per Field (2000). Furthermore, a very significant measure of sphericity was established by the Bartlett’s Test indicated by a high +\(\chi^2\) (Chi-square value) at a p-value of less than 0.01 and one degree of freedom. These findings justify the need for conducting further analysis.

Table 15: Component Matrix

<table>
<thead>
<tr>
<th>Component Matrix</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Item</td>
<td>Component</td>
</tr>
<tr>
<td>How satisfied are you with your relationship with your supervisor/senior?</td>
<td>0.930</td>
</tr>
<tr>
<td>How satisfied are you with the channel of communication in your organization?</td>
<td>0.930</td>
</tr>
</tbody>
</table>

Table no. 15 show that all the statements on internal communication should be compressed into one because their coefficients are above the 0.5 threshold. The test of reliability shown by the value of Cronbach Alpha, confirmed the suitability of the two statements for analysis, with a coefficient of 0.837 as shown in table no. 16.
Table No.16: Reliability Analysis for Internal Communication

<table>
<thead>
<tr>
<th>Reliability Statistics</th>
<th>No. of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach’s Alpha</td>
<td>0.837</td>
</tr>
<tr>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

It is important to that this analysis is not conducted for salary, working environment and recognition because they were single questions in the questionnaire (questions 10 (c), 10 (d) and 10 (e) respectively).

Regression Analysis

Regression analysis is an extension of the correlation analysis by reviewing the relationship between dependent variable, and one or more independent variables (Greene, 2012; Gujarati & Porter, 2009). This relationship is done in a setup of a model which follows a certain distribution that has to adhere to certain assumptions.

In this study, job satisfaction is the dependent variable while independent variables are internal communication, salary, working environment, and recognition. Two kinds of regression results are presented in this study. The first is a simple regression analysis which involves running the dependent variable, job satisfaction, against individual independent variables. The second is a multiple regression which involves running the dependent variable, job satisfaction, against all the independent variables. Results are presented and inference is then made with regards to the magnitude of the coefficient ($\hat{b}_i$ in equation 1). It’s significance using t-test and the overall significance of the model using F-test and the Coefficient of Determination, R-Squared is calculated.

The formal presentation of the calculated t, F, and R-Squared is as follows:

The calculated t-statistic is:

$$t = \frac{\hat{b}_i}{\text{standarderror} (\hat{b}_i)} = \frac{\hat{b}_i}{\sqrt{\sigma^2(X'X)^{-1}}} \hspace{0.5cm} \text{........................................ (Equation 2)}$$

Where:

$n-k = \text{degrees of freedom}$

$n = \text{the number of observations, and}$

$k = \text{the number of parameters to be estimated.}$

This is tested at a two-tail level, $\frac{\alpha}{2}$, because of the hypotheses which are:

$H_0: \hat{b}_i = 0$ (Coefficient is insignificant)

$H_1: \hat{b}_i \neq 0$ (Coefficient is significant)

$\alpha$ is the level of significance. In this case, it is either 1%, 5%, or 10%.
The formal presentation of the F-statistics is:

\[ F = \frac{ESS}{(K - 1)} = \frac{R^2}{(k - 1)} = \frac{(1 - R^2)}{(n - k)} \]  \hspace{1cm} \text{(Equation 3)}

Where:

ESS = Error Sum of Squares,

RSS = Residual Sum of Squares

\( R^2 \) = R-squared.

\( k - 1 \) and \( n - k \) are degrees of freedom which aid in establishing the critical F-value at a certain level of significance. In this case, it is either 1%, 5% or 10% and the hypotheses are as follows:

\( H_0: \bar{b}_1 = 0, \bar{b}_2 = 0, ..., \bar{b}_k = 0 \) (Model is insignificant)

\( H_0: \bar{b}_1 \neq 0, \bar{b}_2 \neq 0, ..., \bar{b}_k \neq 0 \) (Model is significant)

\( R^2 \) = the Coefficient of Determination that explains the portion of the dependent variable that is explained by the independent variables. It is formally represented as:

\[ R^2 = \frac{ESS}{TSS} = 1 - \frac{RSS}{TSS} \]  \hspace{1cm} \text{(Equation 4)}

One major disadvantage of R-squared value is that it tends to increase with an increase in number of explanatory variables. To overcome this, the adjusted R-squared is also presented. It is formally written as:

\[ \bar{R}^2 = 1 - (1 - R^2) \frac{n - 1}{n - k} \]  \hspace{1cm} \text{(Equation 5)}

Regression results alongside t-statics, F-statistics, R-squared, and adjusted R-squared results are presented in table no 17.

Model 1 indicates that a unit increase in internal communication increases job satisfaction by 0.6579979 units. Furthermore, at 1% significance level, the t-test shows that this relationship is highly significant. This affirms the result of correlation analysis. The F-test shows that Model 1 is significant at 1% level. Hence, internal communication is an appropriate determinant of job satisfaction. From the \( R^2 \) value, internal communication explains 54% of variations in job satisfaction.

Model 2 presents the regression between job satisfaction and salary. It can be seen that a unit increase in salary increases job satisfaction by 0.220679 units. This relationship is not significant at 10% using the t-test. Equally, the F-test indicates that the model is significant at 10% level. The calculated \( \bar{R}^2 \) value indicates that salary explains 5.91% of variations in job satisfaction.
Model 3 indicates the regression between job satisfaction and working environment. It shows that a unit increase in working environment increases job satisfaction by 0.3950893 units. The T-test at 1% level shows that the working environment is highly significant. Equally, the F-test shows that the model is significant at 1% level. The value of $R^2$ indicates that working environment explains 20% of variations in job satisfaction.

Model 4 is a regression of the job satisfaction and recognition. It can be seen that a unit increase in recognition increases job satisfaction by 0.3867289 units. Recognition is significant at 1% level using the t-test. The F-test shows that the model is significant at 1% level. From the R-squared value, 21% of variations in job satisfaction are explained by recognition.

Model 5 combines all factors and runs a regression against job satisfaction. Internal communication, working environment, and recognition positively affect job satisfaction while salary decreases job satisfaction. To be specific, a unit increase in internal communication, working environment, and recognition increase job satisfaction by 0.5534522 units, 0.2894545 units, and 0.0253281 units respectively. This is expected from theory. However, only internal communication and working environment are significant at 1% and 5% correspondingly. These results support the main objective of this study which reviews the impact of internal communication on Job satisfaction. Employers in service sector need to prioritize sound internal communication policies and channels. In the case of working environment, employers need to ensure that the environment is conducive for capacity development and career growth inter alia for workers.

Whereas salary is expected to increase job satisfaction, results in model 5 indicate that a unit
increase in salary decreases job satisfaction by 0.1472474 units and it is insignificant. Model 5 is highly significant at 1% level using the F-test. Equally, internal communication, salary, working environment, and recognition explains 56% of variations in job satisfaction.

To assess the order of importance of determinants of job satisfaction, we run a regression with beta and the result is presented in table no. 18.

Table No. 18: Regression with Beta

<table>
<thead>
<tr>
<th>Dependent variable: Job Satisfaction</th>
<th>Coefficient</th>
<th>Std. Err.</th>
<th>T</th>
<th>P&gt;t</th>
<th>Beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Communication</td>
<td>0.5534522</td>
<td>0.0934791</td>
<td>5.92</td>
<td>0.000</td>
<td>0.6679624</td>
</tr>
<tr>
<td>Salary</td>
<td>-0.1472474</td>
<td>0.1056034</td>
<td>-1.39</td>
<td>0.171</td>
<td>-0.1897798</td>
</tr>
<tr>
<td>Working Environment</td>
<td>0.2894545</td>
<td>0.1327091</td>
<td>2.18</td>
<td>0.035</td>
<td>0.3278996</td>
</tr>
<tr>
<td>Recognition</td>
<td>0.0253281</td>
<td>0.0979673</td>
<td>0.26</td>
<td>0.797</td>
<td>0.0335595</td>
</tr>
<tr>
<td>Constant</td>
<td>1.159152</td>
<td>0.4496662</td>
<td>2.58</td>
<td>0.014</td>
<td></td>
</tr>
</tbody>
</table>

Table no. 18 suggest that the most important determinants of job satisfaction are internal communication, salary, working environment, and recognition.

Summary
The findings of the study show that there exists a strong relationship between employee job satisfaction and communication within service rendering organizations. Employees expect managers to smoothen communication in the organization, even for those who were aware or those who were not aware of their company’s communication policy depend on effective internal communication as their main source of job satisfaction.

Conclusions and Recommendations

Conclusions
The relationship between employees’ job satisfaction and communication

The study shows that communication in service rendering organizations has a great influence on employee job satisfaction. In human resource terms, we can say that effective internal communication has a strong positive impact on employee job satisfaction. A unit increase in internal communication increases job satisfaction by 0.55 units, ceteris paribus. Results also indicate that effective internal communication (how information is sent and received) satisfies employees even if they were not part of the decision making. A great number of employees were satisfied with how they got to know their organization policy and how it is implemented; this shows how effective communication has power in creating employee job satisfaction.

Other factors that affect job satisfaction in the service sector
The research findings revealed other factors that influence employee satisfaction. They are both monetary factors such as salary and allowances and non-monetary factors such as capacity development (job enrichment) and job flexibility (work-life balance). The results reveal that there are more non-monetary factors that influence employee job satisfaction than salary. The other factors of job satisfaction are recognition, working environment, and lastly salary which had the least score of influence among employees in the service industry.

Ways of improving internal communication in service industry
The findings revealed several ways of improving internal communication including but not limited to: increase two way communication cross cutting all departments, enhancing professionalism in
termins of sending the right information at the right time, sharing feedbacks, and provision of communication trainings.

**New Development in Knowledge**
The study aims to add to the existing academic literature, the link between internal communication and job satisfaction among employees in the Tanzanian service industry. The impact of internal communication on job satisfaction have not been taken strategically. Most organization talk of internal communication as only a factor to increase productivity and not as a means of employee job satisfaction. This study has imposed better understanding of how influential internal communication is to employee job satisfaction. Purposely, such knowledge provides feedback to managers and business owners of service rendering organizations in Tanzania for a strategy move in order to improve business and the nation’s economy in general.

**Recommendations**
Organizations have to strategically plan how to improve their internal communication. Since this research has proved the existence of a highly positive relationship between internal communication and employee job satisfaction, therefore, communication training is necessary to ensure smooth communication that will lead to employee’s job satisfaction which ends up improving their performance, achievement, and personal satisfaction. Managers should seek creative ways of including their employees in formulating the communication policy and the organizations having intact communication policy should effectively involve employees in revising it.

**Further studies**
The study focused on employees of randomly selected service rendering organizations in Dar es Salaam city. The generalization is limited to selected branches of Vodacom, NMB, and CRDB, Dar es Salaam. There is a need of conducting similar studies in other cities. For comparison purposes, a more comprehensive study can be conducted from the customer’s perspective to examine how satisfied they are with the service provision, to examine which is the appropriate mode of communication that leaves them satisfied.

**References**


Gilliard Loth and Neema Mushi


