

**A STUDY OF COMMUNICATION PERFORMANCE:
INVESTIGATING THE FACTORS AFFECTING
THE COMMUNICATION PERFORMANCE IN
THAI COMMERCIAL BANKS**


Atchara Juicharern

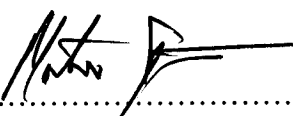
**A Dissertation Submitted in Partial
Fulfillment of the Requirements for the Degree of
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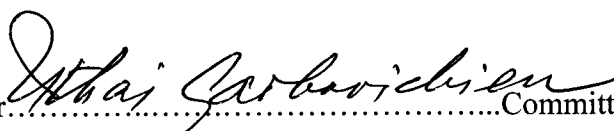
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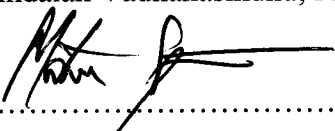
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ABSTRACT

Title of Dissertation A Study of Communication Performance: Investigating the Factors Affecting Communication Performance in Thai Commercial Banks

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Despite the acknowledgement by numerous studies that communication is a key to organizational effectiveness, study of the communication performance is scarce. This research focuses on investigating the relationships of goal clarity, organizational culture, decentralization, and intercultural communication competence with communication performance in Thai commercial banks.

A survey was conducted at the bank branches of seven Thai commercial banks that included both state-owned and private-owned banks. Due to the nature of the exploratory model of communication performance, some of the relationships among the variables have not been prominently established in the past; therefore the correlation method was used to analyze the relationships of the constructs. Goal clarity has received strong statistical support as a key factor in communication performance, followed by organizational culture, decentralization, and intercultural communication competence. However, when analyzing the relationships of these key factors with each communication performance domain (i.e. interpersonal, external, and internal communication performance), it can be seen that all of the factors are positively related to internal and external communication, but not to interpersonal communication. The findings strengthen two key factors, (i.e. goal clarity and organizational culture) contributing to the communication performance model in the context of Thai commercial banks. From a practical point of view, the findings provide knowledge for both state-owned and private-owned banks and guidance within the field of strategic organization communication as to what should be prioritized and encouraged to improve communication performance. Testing the causality of the relationships among constructs is recommended for future research.

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CHAPTER 1

INTRODUCTION

In the era of performance management, there have been academic efforts that have attempted to advance theories of performance in both public and private management. This dissertation aims to study the communication performance domains and focuses on the Thai commercial banks that include state-owned and private-owned banks.

The paper is organized into six chapters. Chapter 1 introduces the significance of the study, the scope of the study, the objectives of the research, and theoretical and practical contributions and definitions of key terms. Chapter 2 describes the background of the Thai banking industry and Thai commercial banks. Chapter 3 elaborates on the literature related to the constructs and discusses the conceptual framework and research hypotheses. Chapter 4 explains the research methodology, including the unit of analysis, the target population, sampling, the data collection method, reliability, validity and operationalized definitions. Chapter 5 is comprised of the data analysis. Chapter 6 provides the conclusions and implications of this study.

This chapter begins by discussing the significance of the study.

1.1 Significance of the Study

Despite its importance to organizational effectiveness, communication performance is an understudied topic. Many crises have obviously demonstrated the benefits of effective communication, and communication performance is just as important for day-to-day operations. However, the existing literature on communication performance in public and private organizations is scant. Some of the faulty interorganizational communication are for example, the Chernobyl radiation release and the Challenger space shuttle explosion in 1986 (Pandey and Garnett, 2006), the Tsunami in Thailand

in 2004, etc. Obstructed communication flow or warnings filtered through upward or downward channels were instrumental in such undesired events.

While many efforts to improve the effectiveness of organizations targeting effective communication, there is little academic work that explores and evaluates the factors influencing communication performance. As organizations rapidly expand into a global employment environment, the need for effective communication increases. Cheney (2007) notes that the research in organizational communication has come a long way:

Organization (or management) communication is by now a well-established sub-discipline within the larger field of communication studies, featuring all the things that a sub-discipline needs to claim that status.

Byrne and LeMay (2006) assert that satisfaction in organizational communication is positively related to actual job performance and productivity, organizational commitment, and job satisfaction. Worley and Doolen (2006) studied the role of communication and management support in lean manufacturing and found a dynamic relationship between lean implementation and organizational communications. Research conducted in the practical area has been ignored, as also claimed by Chen et al. (2006). They subsequently indicate that:

In particular, there is a lack of research on the relationship between organizational communication and commitment and any relationship that may exist between these two variables is more implied than demonstrated.

Robertson (2005) presents his opinion about the lack of availability of organizational communication in the following:

In the era of radical corporate transformation, which is altering the fundamental relationship between the organization and its member, the worker and the manager, the leader and the led, good communication is sorely needed.

Maine and Morrel-Samuels (2006) support Robertson's opinion:

The more subtle, pervasive, and debilitating communication problems, we believe, stem from the fact that organizations inadvertently rely on simplistic and inadequate ideas of how communication works.

All of these statements support the notion that the study of communication performance will be theoretically and practically useful, not only to the organizational communication and organizational development disciplines, but also for management practices.

1.2 Scope of the Study

The study will investigate the factors affecting the communication performance of 7 Thai commercial banks located in Thailand. Thai commercial banks in this study refer to both state-owned and private-owned banks. This industry was selected for this study for two reasons. First, the banking industry has gone through tremendous changes to ensure both its survival and competitiveness. Based on data provided by the Bank of Thailand (BOT) as of May, 2009, bank branches with full services in Bangkok alone have tremendously increased from 892 to 997 branches within 2 years (2007 -2009).

Second, apparently in recent years, each bank has made an effort to communicate its renewed corporate image to internal and external stakeholders as well as to instill public confidence. The dynamic and recent development of this industry interests the researcher in exploring its communication performance.

1.3 The Objectives of the Research

- 1) To investigate the key factors affecting communication performance
- 2) To establish the relationships of these key factors by testing the exploratory model of communication performance in the context of Thai commercial banks that includes both state-owned and private-owned banks.

3) To draw implications that advance understanding of the factors affecting communication performance.

1.4 Theoretical Contributions

The researcher expects to render four theoretical contributions. First, this study attempts to expand the understanding of the factors, underpinned within the communication dimension, affecting organizational performance. Second, this study attempts to expand the understanding of factors affecting the organizational communication of the Thai commercial banks included in this study. Third, this study aims to explore the key determinants of the communication performance of Thai state-owned and private-owned commercial banks. Fourth, by analyzing the data of both state-owned and private-owned banks', this study attempts to expand the knowledge of the existing model of communication performance in both contexts.

1.5 Practical Contributions

As communication performance holds vital keys to improving organizational performance and organizational effectiveness, the results of this study will help organizations' leaders in both private and public firms to create communication initiatives that can support the competitive advantage of the organizations. In addition, in today's competitive environment and with globalization, new service development is an imperative to suppliers. Communication during the new service development is important if the needs of the organizations' clients are to be met functionally and economically. Therefore, communication issues can not go unnoticed if organizations strive to improve clients' satisfactions and overall performance.

1.6 Definitions of Key Terms

1.6.1 Communication Performance in this study refers to the following three dimensions; interpersonal communication performance, external communication performance, and internal communication performance.

1) Interpersonal Communication Performance is defined as the feedback that individuals receive in carrying out their job responsibilities.

2) External Communication Performance is defined as organizations' ability to communicate effectively with its public, particularly the clients served and other stakeholder citizens.

3) Internal Communication Performance is defined as internal information flows and the specific purposes of downward, upward, and lateral flow.

1.6.2 Goal Clarity is defined in terms of the following: the goals and mission of the organization are clearly defined and known by almost everyone that works in the organization.

1.6.3 Intercultural Communication Competence is defined as the motivation to interact with people from other cultures, positive attitudes toward people from other cultures, and interaction involvement.

1.6.4 Organizational Culture is defined as an organization's underlying values and orientation that sets the climate and tone for interpersonal, external, and internal communication. The study refers to three types of cultures: group, rational, and developmental culture. Each culture is characterized by the following attributes:

1) Rational Culture: organization-centered, emphasizing control and planning as key instrumentalities.

2) Developmental culture: organization-centered, emphasizing flexibility and adaptability

3) Group culture: people-centered, emphasizing organizational flexibility, and cohesion, and has human resource development as a key organizational goal.

1.6.5 Decentralization is defined as a key structure of the organization that allows lower level workers' opinions to be heard and decision-making authority to be delegated throughout an organization, relatively away from a central authority.

1.7 Organization of the Study

As described earlier, the study is composed of six chapters as shown in the diagram 1.1. In the next chapter, the author will provide the background of Thai banking industry.

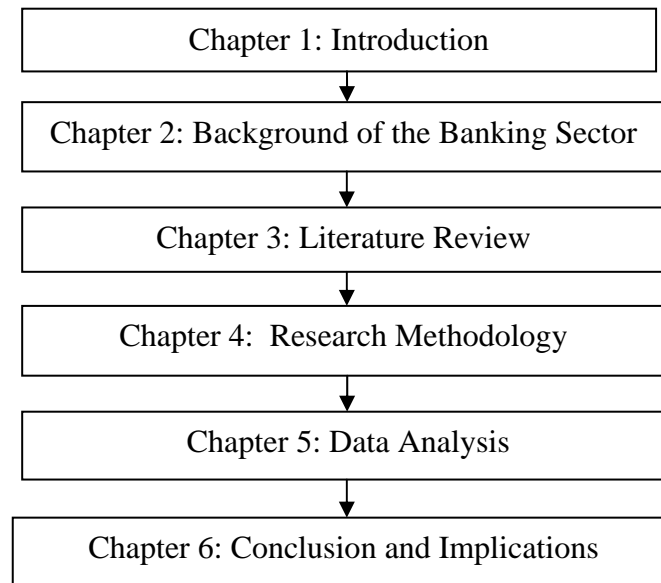


Diagram 1.1 Organization of the Study

CHAPTER 2

BACKGROUND OF THE BANKING INDUSTRY IN THAILAND

In this chapter, the author will discuss the background of the banking industry in Thailand, the background of Thai commercial banks that include state-owned and private banks, and finally the increasing importance of communication performance in the Thai commercial bank organizations.

2.1 Background of the Banking Industry in Thailand

The banking industry in Thailand consists of four types of banking systems: a central bank, commercial banks, saving banks, and banks for specific purposes. The commercial banks are under the supervision of the Bank of Thailand (BOT). The BOT was first set up as the Thai National Banking Bureau. The Bank of Thailand Act was promulgated on 28 April 1942 vesting upon the Bank of Thailand the responsibility for all central banking functions. The Bank of Thailand started operations on 10 December 1942. The Bank of Thailand Act, B.E.2485 was later amended in order to place emphasis on the BOT's social responsibility in order to create a mechanism to guard against economic crisis, as well as to set up the BOT's decision-making process to ensure good governance and transparency in the organization (Bank of Thailand, 2010).

In the past, the financial system in Thailand was recognized as having a “no entry” “no exit” characteristic, which means that it was difficult to enter and difficult to allow a financial institution to fail (Leightner and Lovell, 1998). Before the financial crisis in 1997, the domestic banks dominated the retail market and had a close relationship with local customers, whereas foreign banks concentrated their businesses on wholesale customers (Leightner and Lovell, 1998). Thailand's banking sector is also protected from foreign competition.

Following the economic slowdown in 1996, and the economic recession in 1997, the government had to adopt an economic recovery program from the International Monetary Fund. At the macro level, according to the analysis of the Thailand Development Research Institute (TDRI, 1999), Thailand's economic meltdown in mid-1997 can largely be attributed to three policy errors:

- 1) Liberalization of foreign capital flows while keeping the exchange rate rigid
- 2) Premature liberalization of financial institutions
- 3) Failure to prudently supervise financial institutions

At the micro level, the TDRI's report (1999) also indicated the several drawbacks of Thai banks, such as: 1) the lack of systematic credit risk assessment; 2) extended credit tended to be linked with affiliated businesses, shareholders, and directors; and 3) credit extension was speculatively oriented, so loans grew too much during particular periods of time and/or clustered in particular sectors engendering risky bubbles. The principal factors underlying these problems were low-caliber staff. The fact that the Thai financial sector had been protected for too long resulted in its inability to compete with foreign units. Although Thai commercial banks had advantages in the local network and familiarity with the Thai culture, it is important to note that they may have been behind foreign banks in several respects (e.g., technology and management tactics). Regarding innovative adjustments, for instance: accommodating more small- and medium-enterprises and economical branching were recommended in order to pave the way for competitive firm positions.

Prior to the crisis in 1996, the Thai financial system consisted of 15 local banks, 14 foreign bank branches, 91 finance companies, 12 credit finance companies, 15 insurance companies, 880 private provident funds, 8 mutual fund management companies, and 7 specialized state-owned financial institutions (Chutatong Charumilind et al., 2006). After the crisis, the government closed some major local banks and 52 out of 91 financial companies, together with the merger of three local banks and 12 finance companies.

The Thai government made reforms in both internal and external bank governance. The first response was to allow foreign investors to hold more than 49 percent of the share in Thai banking markets for up to ten years compared to the 25

percent limit before the Asian financial crisis. Some evidences after this relaxation of foreign ownership restriction is the following: Radanasin Bank was acquired by United Overseas Bank Limited; Nakornthon Bank was acquired by Standard Chartered Bank; and Thai Danu Bank was acquired by DBS bank. Table 2.1 shows a summary of ownership and features of bank-level data as of September, 2001.

Table 2.1 Summary of Coverage and Features of Bank-Level Data as of September 2001

Listing of commercial banks	Share of total Assets (%)	Share of foreign Ownership (%)	Some features
1.Domestic Banks			
1.1 Bangkok Bank	22.29	< 50	Private owed bank
1.2 Krung Thai Bank	15.89	< 50	Stated owned bank
1.3 Kasikorn Bank	12.92	< 50	Private owed bank
1.4 Siam Commercial Bank	11.66	< 50	Private owed bank
1.5 Bank of Ayudhya	8.05	< 50	Private owed bank
1.6 Thai Military Bank	6.22	< 50	Private owed bank
1.7 Siam City Bank	4.60	< 50	Stated owned bank (FIDE* hold 100%)
1.8 Bankthai Bank	2.24	< 50	Stated owned bank (FIDE hold 96%)
2. Joint venture banks			
2.1 Bank of Asia	2.61	79	Acquired by ABNAMRO Bank in 1999
2.2 DBS Thai Dhanu Bank	2.03	52	Acquired by DBS, Singapore in 1999
2.3 Standard Chartered Nakorn Thon Bank	1.24	75	Acquired by SC, U.S.A. in 1999
2.4 UOB Radhanasin Bank	0.78	75	Acquired by UOB, Singapore in 1999

Source: Adapted from the calculation of Saovane Chantapong (2006) based on data from the Bank of Thailand. The dataset consists of 23 commercial banks totaling 31 commercial banks as of September, 2001. There are 9 domestic banks (representing local private and state-owned-banks, four joint venture banks, and 10 branches of foreign banks.

*FIDF: Financial Institutions Development Fund

According to the BOT, by the end of 2003, the Thai banking system had 13 local banks which accounted for almost 92%, 93%, and 81% of the financial system's total assets, liabilities, and net profits, respectively. The three largest banks, Bangkok Bank, Krung Thai Bank, and Kasikorn Bank, held about half of the financial sector's total assets and total loans in 2003.

The Asian crisis demonstrated deficiencies in the domestic financial system that called for financial reform in accounting and disclosure practices and bank corporate governance. Thus, Thai bank reforms included efforts to improve corporate governance. Hoschka et al. (2002) found that investors are willing to pay up to 45% more for the shares of Thai-listed firms with good corporate practices (Pathan, 2007). The consequence included the shifting from Thai families to foreigners and the government. To order to create the public's confidence, increasing bank boards' accountability and transparency is necessary. The Stock Exchange of Thailand (SET) and Bank of Thailand (BOT) and the Securities and Exchange Commission of Thailand (SEC) have been active in restoring this confidence and in reducing information asymmetries. For instance, SET (1999a,b) required an audit committee for all listed firms in 1999 and released a "best practice guide" for directors on corporate governance.

The BOT also made reforms concerning internal bank governance, for example, the issue of "Fit and Proper Criteria" on November 28, 1997 (Pathan et al., 2007). This included the prerequisites required for becoming a bank board member. First, the directors should have at least five years of experience with a well-established financial institution. Second, they should not serve on more than three other boards at the same time. Third, bank lending to connected parties such as directors is strictly prohibited. In addition, banks are required to report their non-performing loans (NPLs) on a regular basis.

Obviously, the Thai commercial banks had increasing responsibilities to their stakeholders and were restricted unavoidably by formulized structure and policies to a certain extent.

2.2 Background of Thai Commercial Banks

According to the Bank of Thailand (2008), there are 19 commercial banks in Thailand. Table 2.2 provides the names of the banks and the number of their branches located in each part of Thailand.

Table 2.2 Summary of Bank Branches with Full Service as of April 2008.

Banks	Branches					Total
	Bangkok	Central	Northeast	North	South	
1. Bangkok Bank	132	157	86	80	72	527
2. Krung Thai Bank	143	188	112	106	91	640
3. Kasikorn Bank	147	170	65	65	49	496
4. Siam Commercial Bank	171	179	61	54	57	522
5. Bank of Ayudhya	139	114	45	37	34	369
6. TMB Bank	161	140	49	62	59	471
7. Siam City Bank	104	109	32	31	41	317
8. United Overseas Bank (Thai)	86	36	9	9	9	149
9. Standard Chartered Bank (Thai)	22	4	2	1	1	30
10. Bankthai	75	42	8	9	13	147
11. Tanachart Bank	47	41	16	15	14	133
12. Tisco Bank	6	11	5	3	5	30
13. Kiatnakin Bank	4	15	6	6	7	38
14. ACL Bank	5	3	4	1	3	16
15. Land and Houses Retail Banks	4	3	0	1	1	9
16. Thai Credit Bank	2	3	0	0	0	5
17. AIG Retail Bank	1	2	3	2	3	11
18. MEGA International Commercial Bank	2	1	0	0	0	3
19. GE Money Bank	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total	1,266	1,218	503	482	459	3,928

Source: BOT, 2008.

Note: Bangkok: head office is included

The above list includes both state-owned banks and private-owned banks.

2.2.1 State-owned Banks in Thailand

Table 2.3 illustrates bank ownership status (SET, 2008). According to the State Enterprise Policy Office (2008), a state-owned enterprise in Thailand is defined as an organization or firms owned more than 50% by government agencies. The Financial Institutions Development Fund (FIDF) holds 55.31% of the share bank (SET SMART, 2008, Chanin Yoopetch, 2008). Table 2.3 shows the update of ownership features. As of April, 2008, among the listed banks in this table, Krung Thai Bank was the only state-owned commercial bank. The rest of them were private-owned commercial banks.

Bankthai, established in 1998 with the Financial Institutions Development Fund (FIDF) as the major share holder, thus was originally state owned. On 5 November 2008, CIMB Bank Berhad became the largest shareholder in Bankthai and on May 4th, 2009, the Bank completed the registration of its new name: “CIMB Thai Bank Public Company Limited.” Since then it has become a commercial bank.

Table 2.3 Bank Names and Types of Banks

Bank Name	Major Shareholders Owned by	Types of Banks
Bangkok Bank	More than 80% owned by private firms	Private bank
Krung Thai Bank	More than 55% owned by government agencies	State-owned bank
Kasikorn Bank	More than 95% owned by private firms	Private bank
Siam Commercial Bank	More than 87% owned by private firms	Private bank
Bank of Ayudhya	More than 91% owned by private firms	Private bank
TMB Bank	More than 75% owned by private firms	Private bank
Siam City Bank	More than 53% owned by private firms	Private bank

Source: SET SMART, 2008

2.2.2 State-owned Banks and Private-owned banks

The distinctions of public and private organizations have been an area of interest. As this study pays attention to both state-owned and private-owned banks, it is valuable to also review the differences and similarities between public and private organizations.

Gortner et al. (1997) describe public organizations or public bureaus as organizations that are governmental and clearly public, complex, created by law and whose job is to administer the law. Gortner et al. (1997) cite in their book “Organizational Theory” that the sharp distinction between public and private is difficult to define. Organizations increasingly display blending and overlapping (Gortner et al., 1997). Therefore, they note that publicness and privateness should be analyzed and characterized in a continuum of less or greater degree of publicness, as shown in the following figure:



Figure 2.1 Continuum of Privateness and Publicness

Rainey, Backoff and Levine in Gortner et al. 1997 propose three main attributes of public organizations relative to those of private organizations. The first attribute is the *environment factors* that comprise: 1) degree of market exposure; 2) legal and formal constraints (i.e., courts, legislature and hierarchy), and 3) political influences. The second attribute is *the organization-environment transactions* that deal with: 1) coerciveness (i.e., unavoidable nature of many government activities); 2) breadth of impact; 3) public scrutiny, and 4) unique public expectations. The third attribute concerns the internal structures and processes that involve: 1) complexity of objectives evaluation and decision criteria; 2) authority relations and the role of the administrator; 3) organizational performance; 4) incentive and incentives structures; and 5) personal characteristics of employees.

Under the organization-environment transactions, the government has unique coercive powers in the consumption and financing of services. It has a broader impact and wider scope concern for public interest than private organizations. People also have higher expectations regarding officials’ fairness, accountability, and honesty. In terms of internal structures and processes, the bureau has greater multiplicity and diversity of objectives and criteria. Top managers hold a more political and expository role. Based on the empirical studies of many individuals, incentives structure can

hardly be tied to effective and efficient performance and employees have lower work satisfaction and motivation.

Gortner et al. (1997) propose the idea that public bureaus are fundamentally unlike firms in their legal, economic, and political natures and roles. Legal differences refer to the constitution, the law, and to public management. The constitution and the law predetermine the context and content of public bureau activities. In terms of empowerment, bureaus embody the power and authority of the state. The mission of public bureaus is to administer the law. Compliance with private rules and regulations is voluntary, whereas compliance in the public areas is mandatory. Although in reality, the accountability of bureaus is complicated by fragmentation, government bureaus are expected to serve public needs as its elected representatives have decreed. In contrast, executives in the private sector have the flexibility to adopt various courses of action unless forbidden by law. Procedures may be changed, organizations can be redesigned, or projects can be cancelled or enlarged. However, any changes attempted by public managers must often be accomplished through political processes.

Economic differences refer to nature of the bureau's role and to the market (Gortner et al., 1997). According to free market theory, government bureaus are not linked to markets in the same way that private firms are. In an economic output market, if a producer can sell outputs for more than his inputs cost, it indicates that the product is valuable to the buyers. Additionally, the salesperson that sells more than another has better performance than the others in a firm. However, bureaus do not have economic output markets. They cannot measure the costs of producing their output or its value as private firms do. Unlike private firms, the bureaus' income cannot determine how to use the resources they control, or how to appraise the performance of each bureaucrats. Bureau productivity and efficiency are measured differently depending on particular functions and agencies.

Political differences refer to the internal and environmental politics of bureaus (Gortner et al., 1997). While firms have options to participate or contract with the government or other areas of economic activity, public bureaus are inherently governmental. Every public bureau is an object of the political process, including goals, structures, and operations.

Generally, public organizations differ from private organizations in many ways. The major difference is that the former pursue not only attainment of efficiency, but also political and bureaucratic enforcement. The private organizations mainly pursue economic efficiency and the maximum outcome for a given level of resources. However, when we observe the banking industry, both state-owned banks and private-owned banks seek change to meet the demands of their internal and external stakeholders. Further, they are also required to maintain good governance and to comply with the BOT's supervision. The state-owned bank Krung Thai Bank PLC (KTB), like other large commercial banks, is also a large-scale commercial bank that provides financing business similar to other commercial banks while taking responsibility to respond directly to government policy. KTB's performance, therefore, is subject to both the banks' commercial capabilities and to the government policy restrictions.

The similarities of state-owned banks and private-banks can be seen through the premise of institutional theory. Institutions, including banking institutions, are influenced by their social and political context. At the same time, they powerfully affect the context. By the 1980s, post Weberian interdisciplinary organization theory came to be generally described as institutional theory. Today, institutions include states, governments, parliaments, bureaucracies, NGOs, universities, and corporations or private companies with clear and distinct public purposes. Modern institutional theory is not limited to the study of government bureaucracies.

Institutional theory focuses on the pressures and constraints of the institutional environment. Institutions have been defined as regulatory structures, governmental agencies, laws, courts, and professions (Scott, 1987). According to most institutional theorists, institutional constituents that exert pressures and expectations include not only the state and professions, as institutions, but also interest groups and public opinion (Scott, 1987). Oliver (1997) notes that institutional theorists have emphasized the survival value of conformity with the institutional environment and the advisability of adhering to external rules and norms. This implies that organizations have choice, but within the context of external constraints. In the realm of institutional theory, organizations attempt to obtain stability and legitimacy. They imitate structures, activities, and routines in response to state and social pressures, the expectations of professions, or the collective norms of the institutional environment.

State-owned banks and private banks are alike in that they are subject to social and regulatory influences, especially after the financial crisis, as discussed earlier. Institutional theory stresses isomorphism or the imitation of organizational activities and routines (DiMaggio and Powell, 1983). Although public organizations have been recognized as the “elephant” that has the power and the means to fight efficiently, the advantages of these “elephants” have their limits and restrictions. Because of their size, “elephants” cannot be maneuvered easily. Private organizations can be viewed as “mouse”. A mouse cannot break the wall, but he can move through a small crack in the wall. Mice have to be more agile to leave ways of retreat because they are easily trampled by other animals. Increasing competition and fast-paced changing customers’ needs in the banking industry have made state-owned banks more agile in order to maintain competition.

2.3 The Increasing Importance of Communication Performance

Conrad and Poole (2002) point out the complexities of organizational communication and that societies and organizations must find ways to effectively deal with a fundamental paradox. On the one hand, they need to control and coordinate the actions of their members in order to survive. On the other hand, control and coordination frustrate individuals’ desire for creativity and sociability. While a number of strategies have been developed to overcome this fundamental paradox, Conrad and Poole (2002) suggest that communication is the key to achieving strategies.

After the 1997 economic crisis and during the subsequent liberalization of the financial sector, Thai commercial banks adapted their operations to cope with the new globalization trends in order to compete with the foreign banks and the non-bank competitors that were increasingly expanding into Thailand’s traditional banking sectors. The acquisition of domestic banks by foreign partners after the crisis was also recognized as a catalyst for change in the Thai domestic banking sector. Foreign acquired banks have brought about advanced technologies and skills, and this has resulted in great cost efficiency. This has required Thai commercial banks to transform themselves in many areas, such as organizational structure, banking

technology, and risk management. In addition, banks now place more focus on retail customers and orient their marketing strategy to provide one-stop services in the form of universal banking to improve the banks' operational effectiveness. It is important for employees to understand the strategic directions, missions, and goals of the organizations in order to create alignment of vision and day-to-day operations. Communication is one of the most important tools in linking and bringing about a desired future.

In 2009, the Bank of Thailand (BOT) appointed new members to its Payment Systems Committee (PSC) in accordance with the enactment of the amended BOT Act B.E. 2551 (BOT, 2010). This has established the task of maintaining payment systems stability as another central bank core mandate in addition to preserving monetary and financial institution stability. According to the BOT's 2009's Payment System Report, the PSC seeks to make electronic payments more widespread, ensuring that service is efficient, safe, and economical. Several infrastructures have been developed, including lowering the fee for electronic payments, which is recognized as a key factor determined by consumers. In principle, this could provide more efficient and convenient means of payments for consumers as well as cost-savings for businesses and financial institutions. Although technology is predicted to reduce face-to-face service interaction eventually, effective communication and information to ensure public confidence are a prerequisite to achieving the PSC's vision alone, not to mention all other service developments.

These developments have posed even greater challenges to Thai commercial banks as the environment in which they operate changes rapidly. These are, for example: increasing responsibility to stakeholders, and robust product & service development to meet customers' changing needs. Thai commercial banks have been facing massive changes and market complexity, yet they are restricted by rules and regulations. This context has called for effective communication strategies in order to develop the Thai Commercial Banks' organization, leadership, and work teams to facilitate changes and to fulfill internal and external stakeholders' needs.

Although there are many Thai commercial banks, this study focuses on the state-owned and private-owned commercial banks which have more than 100 full branches located in Bangkok. These banks are: Bangkok Bank PLC.; Krung Thai

Bank PLC.; Kasikorn Bank PLC.; Siam Commercial Bank PLC.; Bank of Ayudhya PLC.; TMB Bank PLC.; and Siam City Bank PLC.- There are total of 7 Thai commercial banks included in this study. This is to comply with the methodology of the study in terms of size as a control variable.

This chapter has discussed the background of the Thai banking industry, the challenges faced by Thai state-owned and private-owned commercial banks, and the increasing importance of communication performance to Thai commercial banks. The next chapter will review the literature.

CHAPTER 3

LITERATURE REVIEW

The reviewed literature is described in this chapter starting with the importance of communication performance to organizational performance, followed by the relationship of communication performance to organizational effectiveness. Next will be a review of related theoretical perspectives. Then, the author provides a review of the literature on the dependent variables (communication performance: interpersonal communication, external communication, and internal communication) and independent variables (goal clarity, intercultural competence, organizational cultures and decentralization). Finally, the author describes the middle range theory of communication performance and provides a framework and hypotheses. The following diagram shows the organization of this chapter:

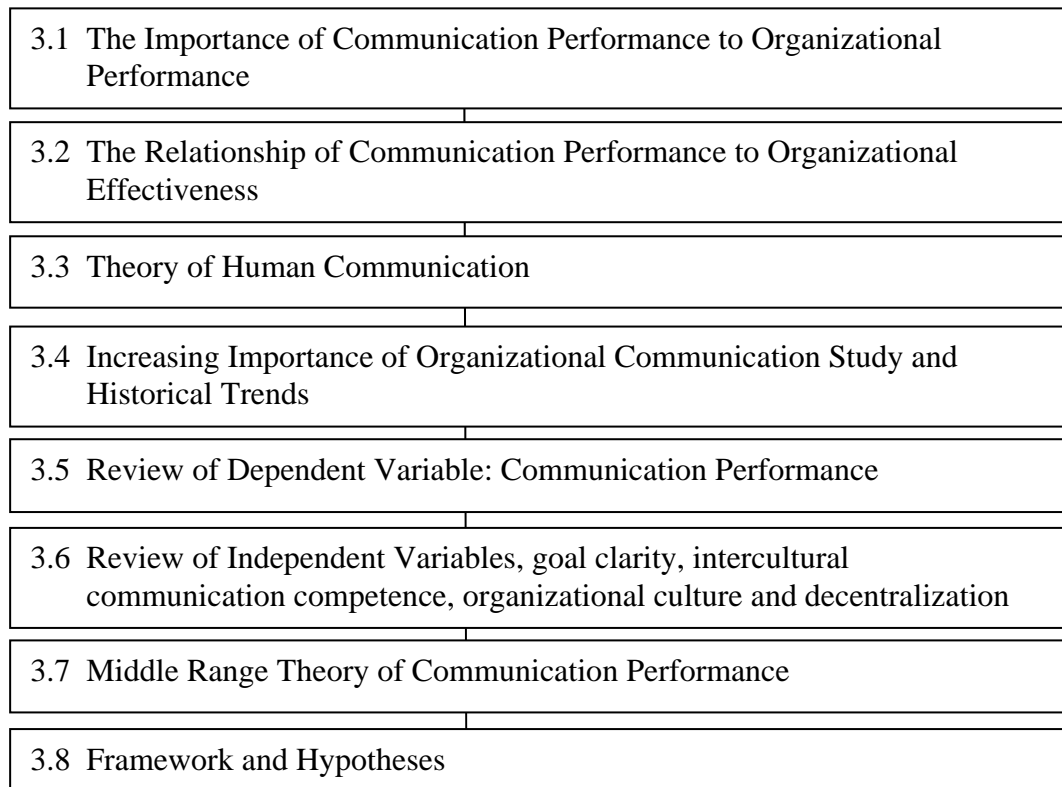


Diagram 3.1 Organization of Literature Review

3.1 The Importance of Communication Performance to Organizations Performance

Organizations are human interaction systems. The social system is an organization, like the individual, that is bound together by a system of communication (Wiener, 1948). Communication in an organization links the various members of an organization and can enhance organizational performance. Since communication is the lifeblood of any organization, employee morale, productivity, and trust are directly influenced by communication. The effects of communication performance can accelerate the execution of corporate strategy, maximize efficiency in company operations, and increase the overall success of organizations. The performance of communication and coordination can positively contribute to organizations' members in their interpersonal communication, internal communication, and external communication (Rattigorn Chongvisal, 2007). Kleinbaum, Stuart, and Tushman (2008) in their research called *Communication and Coordination in a Modern, Complex Organization*, studied coordination as central to the very existence of organizations. Having described the fundamental role of coordination, they emphasized that communication enables this role to meet the purpose of organizations.

Research shows people to be positively or adversely influenced by the kind of communication they receive, interpret, and accept. In addition, research in organizational theory and organizational communication suggests two influences on information processing: 1) uncertainty, and 2) equivocality.

3.1.1 Uncertainty

Galbraith defined uncertainty as the difference between the amount of information required to perform the task and the amount of information already possessed by the organization. Further, organizations can be structured to reduce uncertainty through periodic reports, rules and procedures, or group meetings.

3.1.2 Equivocality

Equivocality means ambiguity, the existence of multiple and conflicting interpretations about an organizational situation. Equivocality often means confusion,

disagreement, and lack of understanding. Mintzberg, Ralsinghani, and Theoret (1976) examined 25 organizational decisions, and found managers that had obtained clear information and alternatives were able to make most decisions without uncertainty. Organizations' members without clear information can not make good decisions for the organizations.

Effective communication enhances employees' performance, as they build awareness and motivate to action. It serves as a mechanism for sharing the organization's values, engaging employees, and aligning them with the organization's business goals. High communication performance seeks to bring about growth, increasing favorable attitudes and resulting in a larger retention rate and expanding awareness. Low communication performance may conversely increase criticism, disharmony, turnover, and worsen opposition.

In 2009, Watson Wyatt conducted a communication survey and the result showed that companies that communicated effectively had a 47% higher return to shareholders over a five-year period (mid-2004 to mid 2009). The study linked communication and the three levers of performance, courage, innovation, and discipline which are recognized as key factors to drive company performance, especially in tough economic times. Based on this survey study, they concluded that effective internal- communication can keep employees engaged in the business and help companies to retain key talent, provide consistent value to customers, and deliver superior financial performance to shareholders.

3.2 The Relationship of Communication Performance to Organizational Effectiveness

Organizational effectiveness is a concept concerning how effective an organization is in achieving the outcomes the organization intends to produce. Rodsutti and Swierczek (2002) propose two major perspectives of organizational effectiveness: 1) the external approach, which is focused on the goals of the organization and its relationship to its environment, and 2) the internal approach, which is focused on productivity and employee satisfaction. Effective communication has long been credited as a prime factor in attaining high levels of organizational

effectiveness (Greenbaum, 1974). A long-standing assumption within administrative and organizational theory is that sound communication leads to sound performance.

The Malcolm Baldrige Quality Award (1999), one of the most widely used tools for assessing organizational effectiveness, uses seven criteria: leadership, strategic planning, customer and market focus, information and analysis, human resource focus, process focus, and business results. Interestingly, this generic approach includes critical organization and management functions.

Although every employee contributes to organization effectiveness, management roles are crucial to unleashing employees' effectiveness. Barnard (1938) noted that the first executive function was to develop and maintain a system of communication. Consistent with the classic work of Barnard's "The Functions of the Executive," survey and ethnographic studies of managerial behavior have revealed that leaders should spend 80 percent of their time interacting with other people (Mintzberg, 1973).

Effectiveness of management that increases an organization's effectiveness has involved communication from the beginning. Fayol (1916) has defined the functions of management that comprise: 1) planning, 2) organizing, 3) commanding, 4) coordinating, and 5) controlling.

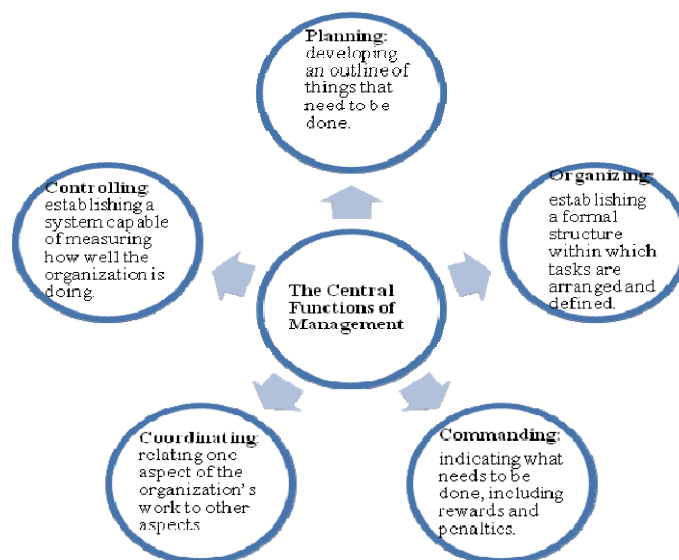


Figure 3.1 Management Functions by Henry Fayol, 1916

Conrad and Poole (2002) included Fayol's five key activities of management within the traditional strategies and indicated that four of them directly involved communication.

Each function requires the management's communication activities, as illustrated in the table 3.1.

Table 3.1 Management Function and Communication

Key Activities of Management	Communication Activities of Management
Organizing	explaining employees' duties clearly, controlling the use of written communication, and providing clear and effective statements of managerial decisions
Commanding	conducting both periodic assessments of the organization's success through systems of performance feedback and conferencing with employees to direct and focus their efforts
Coordinating	ensuring that all employees understand the nature and limits of their responsibilities
Controlling	administering rewards and punishments and persuading employees that their rewards are based on the quality of their performance.

Source: Adapted from Conrad and Poole's, 2002

Conrad and Poole (2002), however, argued that in modern terms, the traditional strategy's management activities are "manager's activities" instead of "leader's activities." Their arguments were supported by researchers who found Fayol's categories useful but too rigid. Mintzberg (1970) later identified ten working roles of the manager's job, as shown in the following figure 3.2:

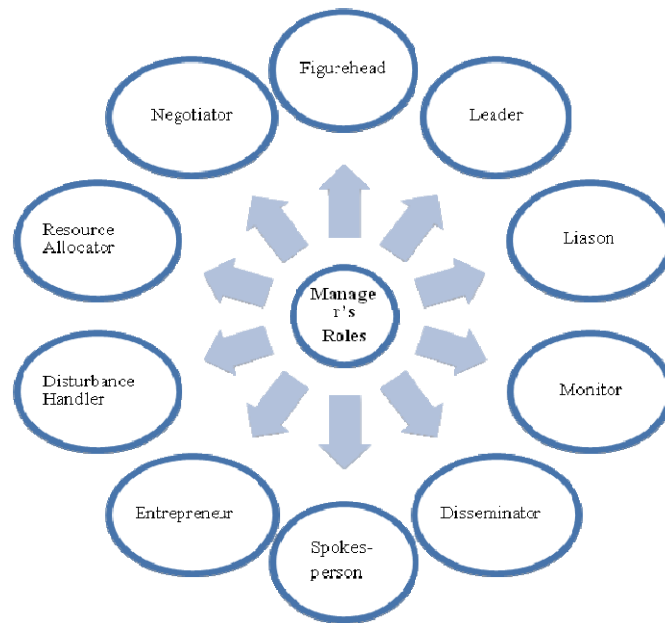


Figure 3.2 Ten Working Roles of the Manager's Job by Mintzberg, 1970

Today, some of these terms might be translated as image-maker, motivator, or facilitator (Hattersley and Mcjannet, 2005). Mintzberg notes that “Verbal and written contacts are the manager’s work” and emphasizes that an effective manager requires effective communication:

Managers must be able to communicate easily and efficiently, and they must share a vision of the direction in which they wish to take their organization. If they cannot agree with reasonable precision on these “plans, “ then they will pull in different directions and the team (or organization) will break down.

There have been debates about the distinctions between management and leadership. Kotter (1999) for example has provided the definition of leadership as the person that defines the future, aligns people with that vision, and inspires people to make it happen despite obstacles. Kotter implied that leadership is about bringing about change whereby effective change requires vision, inspiration, and effective communication. Some of the descriptions of Bennis (2003) concerning the differences

between managers and leaders follow: the manager focuses on system and structure and the leader focuses on people and the manager relies on control and the leader inspires trust. Kotter (1999) clarifies that leadership possesses two distinctive and complementary systems of action. Like effective management, effective leadership also requires effective communication. This is supported by the work of Hersey and Chevalier (2006) in their Behavior Engineering Model.

In 2006, Hersey and Chevalier reported their analysis of the factors affecting performance gaps of leaders and found that the three important factors affecting performance of leaders are: 1) information, 2) resources, and 3) incentives. Hersey and Chevalier (2006) presented the Behavior Engineering Model as follows:

Table 3.2 Hersey's and Chevalier's Model: Behavior Engineering Model

Individuals		
Information	Resources	Incentives
1. Roles and Performance expectations are clearly defined; employees are given relevant and frequent feedback about the adequacy of performance.	1. Materials, tools, and time needed to do the job are present.	1. Financial and non-financial incentives are present; measurement and reward systems reinforce positive performance.
2. Clear and relevant guides are used to describe the work process.	2. Process and procedures are clearly defined and enhance individual performance if followed.	2. Jobs are enriched to allow to fulfillment of employee needs.
3. The performance management system guided employee performance and development.	3. Overall physical and psychological work environment contributes to improved performance; work conditions are safe, clean, organized, and conducive to performance.	3. Overall work environment is positive, where employees believe they have an opportunity to succeed; career development opportunities are present.

Table 3.2 (Continued)

Environment		
Knowledge/Skills	Capacity	Motives
1. Employees have the necessary knowledge, experience, and skills to do the desired behaviors.	1. Employees have the capacity to learn and do what is needed to perform successfully.	1. Motives of the employees are aligned with the work and the work environment.
2. Employees with the necessary knowledge and experience	2. Employees are recruited and selected to match the realities of the work situation.	2. Employees' desire to perform the required jobs.
	3. Employees are free of emotional limitations that would interfere with their performance.	3. Employees are recruited and selected to match the realities of the work situation.

The above model clearly puts emphasis on how communication influences work performance. Under the information category, communicating clear expectations, providing the necessary guides to do to the work, and given timely and behaviorally specific feedback are important to work performance. Under the resources category, they emphasize that the proper materials, tools, time, and processes should be present to accomplish the task.

3.3 Theories of Human Communication

Communication Theory has one universal law, as posited by S. F. Scudder (1980). The Universal Communication Law states that, "All living entities, beings and creatures communicate." All of the living communicate through movements, sounds, reactions, physical changes, gestures, languages, breath, etc. Everything living being communicates in order to survive, for instance, a baby cries to communicate that it is hungry or cold, etc.

Littlejohn (1996) has stated that communication theory is empowering because it can suggest ideas about how to intervene or institute change. Experts differ in the aspects of communication theory are classified. Littlejohn (1996), for example, classified the communication theories in vogue into five genres in order to understand their important philosophical similarities and differences. They are: 1) structural and functional theory, 2) cognitive and behavioral Theories, 3) interactionist theories, 4) interpretative theories, and 5) Critical Theories.

Table 3.3 Comparison of Five Genres of Communication Theory

Theory	Focus	Belief	Interests of Researcher in the field
Structural and Functional Theory	Social and cultural structures	<ul style="list-style-type: none"> • Social structures are real and function in ways that can be observed objectively. • See organization as a system of related parts such as departments, ranks, climate, work activities, products. 	Understand the effects of the parts working together such as communication accuracy and satisfaction
Cognitive and Behavioral Theories	Individuals	The connection between stimuli or inputs, and behavioral responses, or outputs.	Ways of information – and cognitive-processing variables cause certain behavioral outcomes.
Interactionist Theories	Language and meaning. How language is used to enact or create social structures and on	Social structure is regarded as products, not determinants, of interaction. Social structures do not enable communication to take	Describe the process of communication and how it affects meaning rather than to predict particular outcomes based on a set of

Table 3.3 (Continued)

Theory	Focus	Belief	Interests of Researcher in the field
	how language and other symbols systems are reproduced, maintained and changed through use.	place; rather, communication enables social structures to exist.	known variables.
Interpretative Theories	Language and meaning. Uncover the ways people actually understand their own experience.	Language as the center of experience. Language creates a world of meaning within which the person lives and through which all experience is understood.	Examine the communication practices of various cultures and attempts to understand what they mean to the members of those cultures.
Critical Theories	Inequality and oppression.	There are conflicts of interests in society and the ways communication perpetuates domination of one group over another. Communication itself defines culture.	Observe and criticize the oppression and the distribution of power in society.

Source: Adapted from Littlejohn, 1996

Structuralism and functionalism have been combined with different emphases. While structuralism emphasizes the organization of language and social systems, functionalism emphasizes the way organized systems work to sustain themselves (Littlejohn, 1996). The Study of Communication Performance and this paper views

the organization as a system that consist of variables that are casually related to other variables in a network of functions. Additionally, in order to deepen our understanding of the various factors affecting communication performance and the assumption that a change in one variable creates change in others, this study is in line with the structural-functional approach in its nature.

Besides classifying communication theories, Littlejohn (1996) also suggested that the communication context could be divided vocationally, for example, into health communication, business and professional communication, instructional communication, etc. According to the literature on communication, the most common division of communication is by level. Littlejohn (1996) also suggested four levels of communication, as shown in the following figure 3.3:

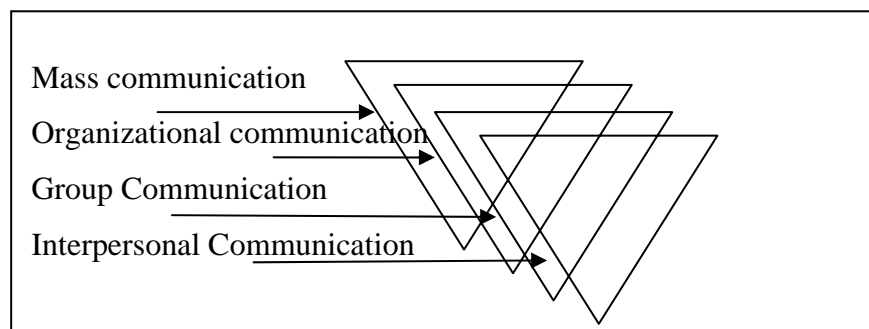


Figure 3.3 The Hierarchy of Communication Contexts

Despite the simple way of organizing communication level as shown in this figure 3.3., Littlejohn (1996) reminded the reader that each level included elements of the others as well as adding something of its own. Therefore, they should not be considered substantially different from each other.

This paper intends to study the communication context at the organizational level. However, as Littlejohn (1996) has mentioned, each level is interrelated and in order to understand communication performance, we also need to understand interpersonal communication, and internal and external communication.

3.4 Increasing Importance of Organizational Communication Study and Historical Trends

More and more people find that an important part of their work is communication, especially now that service workers outnumber production workers. Research and production processes emphasize greater collaboration and teamwork among workers among different departments and function groups. Changes confronting organizations and changes in organizational forms have made organizational communication increasingly important. These changes are for instance, more complex work and diverse cultures of workgroups, faster pace of work, simultaneously distributed work processes, increasing knowledge and networks, etc.

Organizational communication study has largely grown in response to the needs of business. Communication is not only an essential aspect of these recent organizational changes, but effective communication can be seen as the foundation of modern organizations (D'Aprix, 1996; Witherspoon, 1997; Baker, 2002).

Despite increasing recognition of organizational communication as a field of study, this field is highly diverse and requires more academic studies in order to develop its coherency. In addition, seeing how scholars have defined communication, it has been subject of dramatic change. The initial view of organizational communication defines communication as the sending and receiving of a message by means of symbols and sees organizational communication as a key element of organizational climate (Drenth et al., 1988). The latter viewpoint defines organizational communication as “the central binding force that permits coordination among people and thus allows for organized behavior” (Myers and Myers, 1982).

Next the author will describe the three theoretical perspectives of communication, the key functions of communication, and key distinctions of organizational communication dimension.

3.4.1 The Three Theoretical Perspectives of Communication

Three theoretical perspectives guide the study of communication: the technical, the contextual, and the negotiated perspectives (Baker, 2002).

3.4.1.1 The Technical Perspective.

The technical view of communication is influenced by information theory and the mechanistic approach of Claude E. Shannon and Warren Weaver (1949). The important question in information theory is “how can an information source get a message to a destination with a minimum of distortions and errors?”

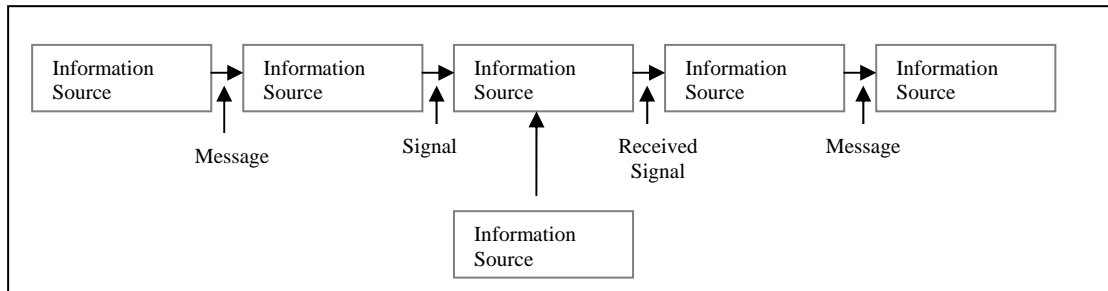


Figure 3.4 Information Theory: Communication as a Mechanistic System Adapted from Shannon and Weaver (1949)

3.4.1.2 The Contextual Perspective

The contextual approach to communication focuses not only on accurate content or adequacy of conveying the intended meaning, but also on the larger context of communication (e.g., nonverbal cues, and the relational context between the sender and receiver with the larger social, organizational and cultural context).

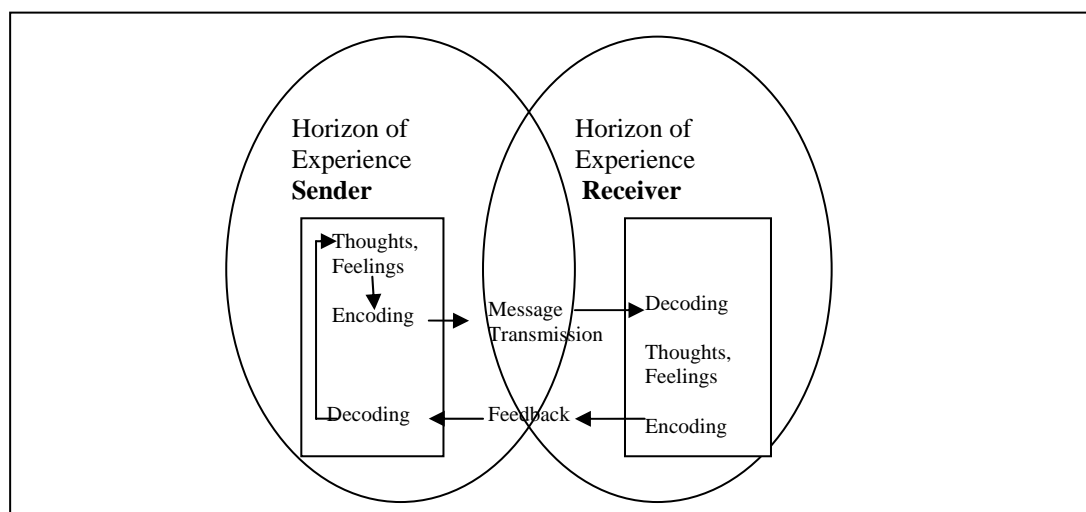


Figure 3.5 Technical Sender-Receiver Model of Communication Adapted and from White Chapman, 1961: 11.

Discourse analysis is an extension and elaboration of the contextual perspective and looks at the overall body of communication, including formal, informal, oral, and written communication. Discourse analysis aims to relate discourse patterns to patterns of social relations. Discourse gives rise to objectively-known, collective representations that have inter-subjective validity (Baker 2002).

3.4.1.3 The Negotiated Perspective

Lazega (1992) goes beyond the contextual and technical approaches to the negotiated view of communication and meaning (Baker 2002). For example, he examines how the communication context itself is negotiated, and elaborates on the interactive feedback component of the technical approach. Lazega (1992) views feedback exchange as a process of interpersonal negotiation.

By reviewing the three theoretical perspective of communication, this study examines beyond contents and aims to further the understanding of the context of organizations and other organizations' factors that embody communication performance.

3.4.2 Key Functions of Communication

The literature on communication generally acknowledges that the basic function of communication is to inform, direct, regulate, socialize, and persuade in order to affect receiver knowledge and behavior (Baker 2002). Neher (1997) emphasized the holistic view of the social or organizational functions of organizational communication as a whole rather than specific communication exchange. Myers and Myers (1982) developed a clearer version of the functions of organizational communication. Table 3.4 below illustrates the developed version in comparison with the holistic view.

Table 3.4 Comparison of Communication Functions

Neher (1997)	Myer and Myer (1982)
1. Compliance-gaining	1. Coordination and regulation of production activities
2. Leading, motivating, and	2. Socialization

Table 3.4 (Continued)

Neher (1997)	Myer and Myer (1982)
influencing	
3. Sense-making	3. Innovation
4. Problem-solving and decision-making	
5. Conflict management, negotiating, and bargaining.	

While Neher's approach focuses on particular acts, Myer and Myer's approach focuses on the functional goals of organizational communication and long-term outcome. These particular acts, such as persuading, negotiating, resolving conflict, etc. can be subsumed under the three main functions (Baker 2002). Myer and Myer's approach, which was developed after Neher's also helps us to understand the changing trend of organizational communication.

The organization and management sciences are interrelated disciplines. An array of literature on organizational communication functions was developed in line with increasing organizations' complexity and changing management roles and strategies. In traditional bureaucratic views of the organization, organizational communication was seen as proceduralized, rule-oriented, one-way, top-down communication. As organizations became more complex and tasks less routine and repetitive or tightly coupled, the traditional view of organizational communication was no longer suitable. Lateral communications, non-routinized, two-way, and vertical communication between production workers and managers became more important. Later, from the human relations perspective of organizations, the socialization function of communication was emphasized. Communication was then seen as a means to establish an appropriate organizational culture and climate. Neither one-way nor top-down communication is effective in this nature. Reciprocal communication between organizational leaders and members became important. As innovation is increasingly important to organizations in the later age, strong communication within and beyond the organization were promoted.

3.4.3 Key Distinctions of Organizational Communication Dimensions

The Literature on organizational communication presents a dimension for study from various perspectives, as shown in the table 3.5. Despite different interests in the different contexts and trends, the areas of study clearly revolve around interpersonal communication, internal communication, and external communication.

Table 3.5 Dimension of Organizational Communication

Dimension of Study	Key Distinctions
1. Levels	1. Interpersonal communication 2. Group level communication 3. Organizational level communication 4. Inter-organizational level communication 5. Mass communication
2. For mal vs. informal	Formal and Informal
3. Direction	Vertical, Horizontal and Diagonal
4. Internal vs. External	Internally versus Externally Directed Communication.

1) Levels

Besides the five levels' shown in table 3.5, some authors prefer to distinguish between micro, meso, and macro levels (Baker 2002). The micro level refers to interpersonal communication; meso refers to group, organizational, and inter-organizational communication; and macro refers to all higher order communication. Interpersonal communication, despite residing at a lower level than organizational communication, prominently addressed in organizational communication literature. As organizational communication increasingly became focused beyond the micro to the meso level, further distinctions were developed, such as formal and informal, vertical, horizontal and diagonal, and internally versus externally directed.

2) Formal versus Information Communication

Formal communication or top-down communication characterizes mechanistic organizations, where highly functional and centralized structure is a norm.

Informal (interpersonal and horizontal) communication is associated with organic organizations, where low formalization and decentralization is one of the keys to efficiency.

3) Vertical, Horizontal, and Diagonal Communications

While downward communication is more prevalent than upward communication (Baker 2002), upward communication also contributes to employees' satisfaction. However, one consistent finding is that employee satisfaction with upward communication tends to be lower than their satisfaction with downward communication (Gibson and Hodgetts, 1991; Baker, 2002).

As flatter organizational structure and teamwork across functions have become a trend, lateral communication is more suitable and enables knowledge exchange. Nevertheless, lateral communications has not been subject to much empirical research (Baker 2002). Diagonal communication refers to communication between managers and workers located in different functional divisions (Wilson 1992). The modern organizational form is matrix-based and project-based and gives rise to diagonal communication.

4) Internally versus Externally Directed Communication

Although the literature places great emphasis on internally- directed communication, externally-oriented communication is becoming important. Increasing customers' impact on business, social responsibility, and alliance strategy entail the external communication competency of organizations.

In this research, the author seeks to investigate the relationships of variables (goal clarity, intercultural communication competence, organizational culture, decentralization) and the communication performance of Thai commercial Banks. The reviewed literature on organizational communication has led to the recognition of three dimensions of communication performance: interpersonal, internal, and external communication.

3.5 Reviews of Dependent Variable: the Three Dimensions of Communication

The communication performance model of this study refers to the three key dimensions defined by Pandey and Garnett (2006) in their several studies of communication performance. Although this exploratory model was tested mostly in the public sector, it is of great value to expand the model to the private sector in order to further develop understanding and the theoretical model of communication performance. Pandey and Garnett (2006) also suggest that more research is needed to explore organizational characteristics and communication performance.

The three dimensions are: interpersonal communication performance, external communication performance, and internal communication performance.

Following the aforementioned model, in this study, Interpersonal Communication Performance is the construct focusing on the feedback that individuals receive in carrying out their job responsibilities. External Communication Performance is the construct focusing on the organization's ability to communicate with its public, particularly the clients served and other stakeholder citizens. Internal Communication Performance (primarily formal) is the construct focusing on internal information flows and the specific purposes of downward, upward, and lateral flows.

3.5.1 Interpersonal Communication Performance

As organizations became more communication-based, greater attention was directed to improving the interpersonal communication skills of all organizational members. Initially, research conducted under the title of interpersonal communication focused on persuasion, social influence, and small group process. Theories explored the roles of learning, dissonance, balance, and social judgment. By the 1970s, research interests began to shift into social interaction, relational development, and relational control, which was influenced by the research of scholars such as Knapp, Mehrabian, Altman, Taylor, Duck, Kelly, and Thibaut. By the 1980s, the cognitive approaches of Hewes, Planalp, Roloff, and Berger became popular. Berger (2005) concludes that: "these early theoretical forays helped shape the interpersonal communication research agenda during the past two decades."

Today, research into interpersonal communication typically focuses on the development, maintenance, and dissolution of relationships. Scholars in the field have

acknowledged that interpersonal communication is motivated by uncertainty reduction (Berger and Calabrese, 1975). Uncertainty theory is central in understanding interpersonal communication and interpersonal processes. Next, the author discusses the theoretical perspective related to the interpersonal communication performance construct.

3.5.1.1 Uncertainty Reduction Theory (URT Theory)

Shannon and Weaver (1949), through their theoretical framework of information theory, related the uncertainty construct to the transmission of messages. Through the development of Uncertainty Theory, scholars such as Berger and Calabrese (1975) pioneered the field of interpersonal communication by examining this significant relationship in uncertainty research. Berger and Calabrese (1975) formed the Uncertainty Reduction Theory to explain the role of communication in reducing uncertainty in initial interactions and the development of interpersonal relationships.

Lewin, one of the founders of social psychology, advanced interpersonal communication substantially. Festinger further developed Lewin's theories and created his Theory of Cognitive Dissonance. Festinger is also known for the theories of Social Comparison. Social Comparison Theory postulates that individuals seek feedback from others to evaluate their performance and abilities. Cognitive Dissonance, like uncertainty, has an element of discomfort that individuals seek to reduce. The concept of interpersonal communication of this study is rooted in Social Comparison Theory.

The construct "interpersonal communication" in this study focuses on feedback that individuals receive in carrying out their job responsibilities, which is basically consistent with the study of Pandey and Garnett (2006). The author continues to explain further the related theories supporting the importance of interpersonal communication, which is LMX Theory.

3.5.1.2 Leader-Member Exchange Theory (LMX Theory)

LMX enhances the importance of individuals receiving useful feedback in carrying out job responsibilities with a focus on supervisors' and subordinates' interaction. An essential premise of leader-member exchange (LMX) theory is that leaders and supervisors have limited amounts of personal, social, and organizational resources (i.e., time; energy; role, discretion and positional power). Therefore,

supervisors distribute such resources among their subordinates selectively (Graen and Uhlbien, 1995).

Mueller and Lee (2002) extended the extant research by examining the extent to which the quality of LMX affected perceived communication satisfaction among subordinates within interpersonal, group, and organizational contexts. This communication satisfaction consists of eight stable dimensions: personal feedback, supervisory communication, subordinate communication, co-worker communication, organizational integration, corporate information, communication climate, and media quality (Clampitt and Downs, 1993; Downs and Hazen 1997; Muller and Lee 2002). In brief, personal feedback has to do with employees' understanding of performance procedures and standards, thus, driving better performance. Mueller and Lee (2002) gathered data from 400 prospective respondents in four participated organizations using survey questionnaires. They found that the quality of LMX strongly influenced subordinates' communication satisfaction in interpersonal (personal feedback and supervisory communication), group (co-worker communication and organizational integration in the workgroup), and organizational contexts (corporate communication, communication climate, and organizational media quality). Their findings furthered the LMX in their studied context where LMXs with their supervisors are tightly coupled with larger group and organizational contexts with respect to communication satisfaction. However, the strength of coupling decreases as the "sphere of influence" becomes more distanced and less direct.

Numerous studies reveal the relationship of interpersonal communication with communication satisfactions. For example, communication satisfaction has been found to be positively affected by communication openness (Suckow, 1995), communication motive (need for affection), communication norms, frequency, formality (formal mechanism), bidirectionality (feedback), and quality (Mohr and Sohi, 1995), participation in supervisory decision making, and higher supervisor receptivity to information and ideas from employees (Wheless, Wheless, and Howard, 1984). Prisbell (1985) also found that interpersonal perceptions (i.e., feeling good, safety and uncertainly level) were significantly related to communication satisfaction. Byrne and LeMay (2006) asserted that high quality communication contributed to productivity and satisfaction in organizational communication and was

also positively related to actual job performance, productivity, organizational commitment, and job satisfaction.

Numerous studies show that interpersonal communication quality contributes to communication satisfaction and job satisfaction. However, interpersonal communication as a meaningful dependent variable or a dimension of communication performance has been understudied. Therefore, this study also aims to advance knowledge in this area.

In this study, the interpersonal communication dimension of communication performance is operationalized as the degree to which individuals in the studied organizations receive useful feedback and evaluations of strengths and weakness at work.

3.5.2 External Communication Performance

Corporations seek effectively to educate, entertain, and to inform their stakeholders and establish or modify relationships with them through various modes of corporate communication, including innovative designs, advertisements, programs, and news releases (Dhir, 2006). An organization must adapt to the environment in order to survive (Galbraith, 1974). Therefore, a number of formal structures and associated functional roles have been created explicitly to deal with them. Boundary spanners, such as department heads and customer service representatives, are responsible for making communication contacts with external information sources and supplying their colleagues with information concerning the outside environment, while maintaining an organization's autonomy (Adam, 1976; Johnson and Chang, 2000). Thai commercial banks have been strongly and competitively improving their customer services and corporate images in order to win their customers' loyalty or long-term relationships. The theoretical approach related to external communication performance partially resides in Social Exchange Theory.

3.5.2.1 The Social Exchange Theory (SET)

SET has a social psychological and sociological perspective. SET theorists argue that all human relationships are formed by the use of a subjective cost-benefit analysis and the comparison of alternatives (Tranakjit Yutyanyong, 2009). For example, customers or stakeholders base their decisions on maintaining relationships

with a service provider or to change to alternatives from the amount of profits that they could receive. Social Exchange Theory proposes the equation: rewards-costs = Profits. Basically, customers decide if they will stay with the suppliers or change the suppliers while considering if the relationship is worth the time. SET is based on the principle that human beings are reward-seeking and punishment avoiding and that people are motivated to action by the expectation of profits (Skidmore, 1975). A number of studies have employed the social exchange theoretical framework (Andereck and Vogt, 2000; Ap, 1992; and Tranakjit Yutyanyong, 2009).

Gounaris et al. (2003) used empirical data from the banking sector to study the antecedents to perceived service quality. The depicted antecedents are word-of-mouth communication, comparison shopping, personal relationship, and perceived market orientation. They used trained personnel to conduct interviews with 793 individual customers of commercial retail banks and subsequent statistical analyses to refine and validate their measurement. They found that various dimensions of the quality of service offered by a bank were not influenced by the antecedents examined.

McCullough, Heng and Khem (1986) suggested that the marketing orientation of the bank determine customer satisfaction. External marketing consists of the activities of the service forms directed at satisfying the needs of consumers. Tansuhaj, Wong, and McCullough (2007) investigated managerial orientations towards employees in banks by examining the development of external and internal marketing practices for foreign and domestic banks located in Thailand. Their study related external customer satisfaction with satisfied internal customers (employees). In other words, the service firms should satisfy employees in order to have satisfied customers. Two domestic banks and one foreign bank participated in their study. Approximately 10-15 bank managers or assistant managers were surveyed, and 40-50 customers of each participating bank were also asked to respond to the questionnaire for levels of service satisfaction. The results showed that domestic banks had a higher internal marketing scale than foreign banks and also domestic banks were perceived as having better practices of internal marketing by their employees. Further, domestic banks were also perceived as having a better capture of the external marketing practices towards the customers.

Vos (2009) measured communication quality in the municipal context and defined communication quality as the degree to which communication contributes

to the effectiveness of municipal policy and how it strengthened the relationship between citizens and municipal organizations. The purpose of her study was to better understand communication quality and to find a way of measuring it at the municipal level. The results showed relatively high scores on corporate communication, and relatively low scores on policy communication.

While external communication ability has been recognized as a critical factor in achieving customer satisfactions, and maintaining customer loyalty and profits, the link between organizational factors and external communication performance has been rarely examined. This study investigates the external communication performance construct as a dependent variable and defines it as the organization's ability to communicate with its public, particularly the clients served and other stakeholder citizens.

3.5.3 Internal Communication Performance

Like interpersonal communication, initially internal communication was understood through the transmission model of communication (Sender-Message-Receiver model) and the classic model of Shannon and Weaver (1949). The dynamic of internal communication in an organization's context can also be understood by reviewing an explanation of Uncertainty Reduction Theory and Leader-Member Exchange Theory.

The literature acknowledges that internal communication can be characterized in terms of downward communication, upward communication, and lateral communication. Downward and upward communication occurs between hierarchically positioned persons. Pelz (1952), recognized as the Pelz effect, attempted to find out what types of leadership style led to employee satisfaction (informal or formal, autocratic or participative, management oriented or frontline-oriented). Pelz (1952) discovered that what matters most is whether the supervisor has power regardless of his or her leadership styles. In order to equip supervisors with proper power, they should be informed about organizational issues and changes and provide input into decisions. Jablin (1980) also pronounced the Pelz effect to be one of the most widely-accepted propositions about organizational communication (Baker 2002).

Goris et al. (2000) examined the moderating effects of communication direction on individual-job congruence and work outcomes (performance and satisfaction) using moderated regression analysis. They collected data from 302 employees who reported job scope, growth need strengths, job performance, job satisfaction, and communication direction (upward, lateral, downward). They found that a high level of job performance and job satisfaction occurred when congruence of individual needs (growth need strength) and job characteristics (job scope) existed. In addition, there is statistical evidence from this study that downward communication is both a moderator and predictor of job performance and job satisfaction in low individual-job congruence situations. Upward and lateral communication had some support as a predictor but not as a moderator of job performance and job satisfaction in high individual-job congruence situations. A wealth of evidence, including Larkin and Larkin (1994), suggests that downward communication is an important tool for increasing both satisfaction and performance among employees.

Marques (2010) explored more deeply the practical-based criteria for effective organizational communication, focusing on internal communication. First, by reviewing the literature and through a qualitative study, Marques (2010) refers to Zaremba's (2006) evaluation, which included five criteria for successful organizational communication: timely, clear, accurate, pertinent, and credible. Second, by interviewing participants in a course on organizational communication in higher education, Marques (2010) found four additional criteria for effective corporate communication which were responsible, professional, concise, and sincere. Marques (2010) explained the criteria that enhanced successful organizational communication and their consequences in the following figure 3.6:

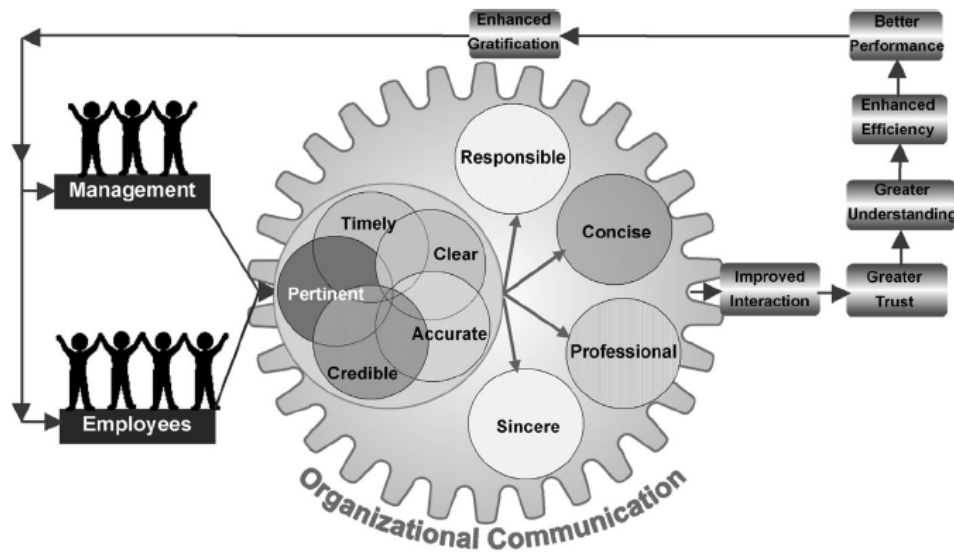


Figure 3.6 Criteria that enhance successful organizational communication
Marques, 2010

The consequences of proper organizational communication that emerged from Marques's study were improved interaction, greater trust, greater understanding, enhanced efficiency, better performance, and enhanced gratification. The perspective of "better performance" and enhanced gratification was also emphasized by Byrne and LeMay (2006) who confirmed that "satisfaction in organizational communication was positively related to actual job performance and productivity, organizational commitment, and job satisfaction."

According to Burns and Stalker (1961), in mechanistic systems of organization, the interaction within management tends to be vertical. Basically, the hierarchical structure can result in a succession of filters of information. In the organic structure, according to Burns and Stalker (1961), "Inter-communication between people of different ranks tends to resemble lateral communication rather than vertical command". Burns and Stalkers (1961) and Woodward (1965) also found that written, vertical communication is more effective in mechanistic structures provided that tasks are simple and unchanging. Horizontal and vertical communications are however more effective in organic structures, with changing and complex tasks.

The studies on internal communication performance as a moderator or predictor are prevalent; however, the organizational factors contributing to internal

communication performance is understudied, especially in the banking sector context. In this study, internal communication performance (primarily formal) is the construct focusing on the internal information flows and the specific purposes of downward, upward, and lateral flows.

3.6 The Reviews of Independent Variables

3.6.1 Goal Clarity and Communication Performance

Organizational goals represent the desired future state of the organization (Locke et al., 1989; Zahariadis, 1999; Chun and Rainey, 2006). Organizational goals lose clear meaning and become ambiguous when they invite a number of different interpretations (Chun and Rainey, 2006). Goal ambiguity or a lack of goal clarity is characterized by a multiplicity of conflicts, and vagueness of organizational goals. (Rainey 1993). Goal clarity also has an influence on attitudes about work (Bozeman and Kingsley, 1998; Bozeman and Rainey, 1998; Buchanan 1975; Wright, 2004) and organizational performance (de Lancer Julnes and Holzer 2001; Pandey, Coursey, and Moynihan 2004).

Goal setting theory has strongly influenced organizational behavior ideology and practice since the late 1960s (Locke 1968). The management by objectives (MBO) concept further highlighted goal-setting principles with suggested strategies for practical applications of goal setting theory in the workplace (Drucker 1974). The MBO is recognized as a motivating tool that uses goal setting theory to enhance personal and then organizational performance. Nutt and Backoff (1992) illustrated in table format with respect to Organizational Processes Goals that the public sector had shifting, complex, conflicting goals, whereas private organization had clear and agreed upon goals. They pointed out that “ambiguous” goals make it difficult to identify current and future directions. Kaplan and Norton (2001) stressed that the Balance Score Card works best in supporting corporate strategies when it is used to communicate vision and strategy, not to control the actions of subordinates. Those that see measurement as a control and not as a communication tool will not be able to get full advantage from its communication qualities. This remark confirms the importance of communicating vision and strategy.

Fostering goal clarity has emerged as a key prescription for enhancing the effectiveness of public organizations (Raney, 2003). Goal clarification can mitigate conflicts and improve the quality of communication, measured by communication accuracy, and consistency, among different stakeholder groups (Garnett, 1992; Gold, 1982; Wilson, 1989). The mitigation of conflict and improvements in accuracy provide compounded benefits for other key aspects of the communication process, such as information sharing, influencing attitudes, promoting understanding, and persuading people to act or not act in certain ways (Garnett, 1992; Cheney and Christensen, 2000). In a study of Pandey and Garnett (2006), goal clarity was positively related to external and internal communication performance. Hilgermann's (1998) asserted that as control over team work and goal setting increased, self-managing team members experienced higher levels of satisfaction within an organizational environment. Vigoda-Gadot and Angert, in their longitudinal study (2007), found relationships among goal setting, job feedback, and employees' formal and informal performance. This informal performance was referred to as organizational citizenship behavior.

Researchers in the social sciences have paid very little attention to clarifying and measuring the concept of goal ambiguity (Chun and Rainey, 2006). In this study, goal clarity means that organizations have clearly-defined goals and the mission is clear to almost everyone that works in the organization.

3.6.2 Intercultural Communication Competence and Communication Performance

Culture and communication are strongly connected. Samovar et.al. (1998) introduced seven characteristics of culture that directly affect communication, i.e. 1) culture is learned; culture is transmitted from generation to generation by communication; 2) culture is based on symbols; 3) culture is dynamic; 4) culture is integrated, and 5) culture is adaptive.

Communication competence in general has been characterized as communication behaviour that is both effective and appropriate (Spitzberg and Cupach 1984). Definitions of Intercultural Communication Competence more grounded in communication have tended to stress the development of skills that transform one

from a monocultural person into a multicultural person. The multicultural person is one that respects cultures and has tolerance for differences (Balay, 1993).

Differing ethics can cause conflict (Jandt 2004). Komin (1995) claims that Thais in general do not like conflict; they feel uneasy and prefer to avoid conflict or handle it indirectly. However, integrative conflict management is known to be the most effective way of handling conflict instead of conflict avoidance. Based on Hofstede's value dimensions (1980), Thai culture is characterized by low individualism, high uncertainty avoidance, high power distance, and low masculinity.

Broadly, intercultural competence can be defined following Fantini (2006) as "a complex of abilities needed to perform effectively and appropriately when interacting with others who are linguistically and culturally different from oneself". Researchers use a range of more or less related terms to discuss and describe intercultural competence, including intercultural communication competence (ICC), transcultural communication, cross-cultural adaptation, and intercultural sensitivity, among others (Fantini, 2006). As illustrated in the table 3.6, 19 terms are utilized as alternatives for discussing intercultural competence. The terms are often used interchangeably with the most frequent labels of intercultural competence, intercultural communicative competence, intercultural sensitivity, and cross-cultural adaptation. Further explorations are needed to clarify the often implicit attributes of each alternative.

Table 3.6 Alternative Terms for Intercultural Communicative Competence (ICC)

transcultural communication	international communication	ethnorelativity
cross-cultural communication	intercultural interaction	biculturalism
cross-cultural awareness	intercultural sensitivity	multiculturalism
global competitive intelligence	intercultural cooperation	pluralism
global competence	cultural sensitivity	effective inter-group communication
cross-cultural adaptation	cultural competence	
international competence	communicative competence	

Note: (Adapted from Fantini, 2006, Appendix D)

The literature supports the idea that the concept of Intercultural Communication Competence (ICC) should be defined in the context of study before assessing it. This is due to multiple definitions of intercultural communication competence (ICC) from a variety of academic disciplines. For these reasons and the central interest related to communication performance, this study specifically refers to the concept of intercultural communication competence.

The idea of competency in intercultural communication continues to attract interest from both academics as well as professionals in today's culturally diverse society and business environment (Arasaratnam, 2009). The banking industry is also subject to cross-cultural encounters with internal and external customers. Therefore, intercultural communication competence is important both internally and externally.

As open systems, organizations involve many parties and stakeholders and are effective to the extent to which their constituencies are at least minimally satisfied (Keeley, 1978; Connolly et al., 1980; Miles, 1980). Rodsutti and Swierczek (2002) studied the key relationships of organizational effectiveness and leadership in southeast Asia. They collected data from 1,065 leaders of multinational enterprises in Thailand; 37 percent of respondents were in top management and 45 percent were division managers. One of their findings was that a leader with more appropriate characteristics (i.e., good communication, dealing well with difficulties, professionalism, and culturally aware) strongly influenced a multicultural management style that was associated with organizational effectiveness. The result of their quantitative study was drawn into one of the conclusions, that the companies which emphasized multicultural management style would possess motivated leaders and that this would increase the satisfaction of the key executives and their subordinates. Chintana Monthienvichienchai et al. (2002) conducted a case study of intercultural communication competence within an international school located in Thailand. They found strong support for the idea that intercultural awareness is related to communication competence.

3.6.2.1 The Measurement of Intercultural Communication Competence (ICC)

Arasaratnam (2009) systematically developed a measurement of ICC based on the previous ICC measurements and pointed out the limitations of the previous measurements, as shown in the table 3.7.

Table 3.7 The Measurement of ICC

Instrument	Designed to Measure:	Developed by	Limitation
Intercultural Behavioral Assessment Indices	7 Dimensions: tolerance of ambiguity, interaction management, display of respect, orientation of knowledge, relational role behavior, interaction posture, and empathy.	Rubin (1976)	The applicability of this instrument to participants from multiple cultural backgrounds is not clear.
Intercultural Developmental Inventory	Intercultural sensitivity and the ability to discriminate and experience relevant cultural differences	Bennett and Hammer (1988)	Needing more research on establishing the extent to which intercultural sensitivity is a predictor of ICC. Besides, though intercultural sensitivity may be a predictor of ICC, it is conceptually different from ICC.
The Multicultural Personality Questionnaire	5 dimensions, i.e., cultural empathy, emotional stability, open-mindedness, flexibility, and social initiative.	(van der Zee and van Oudenhoven 2000; van der Zee, Zaal, and Piekstra 2003)	The measure is primarily a psychometric instrument designed to evaluate multicultural orientation and adaptability, and does not necessarily address the communication aspect of intercultural competence.

Arasaratnam (2009) argues that a measure of ICC should accommodate culturally diverse groups of participants. Based on her and Doerfel's (2005) findings, the competent intercultural communicators (from the other's point of view) all

possess five qualities in common; namely, empathy, intercultural experience and training, motivation, global attitude, and the ability to listen well in conversation. The result of the new instrument of ICC developed by Arasaratnam was promising after her empirical testing and extensive statistical analyses (regression, factor, and correlation analyses) with reliability and construct validity. In addition to the new ICC instrument, other related variables were included in her study in order to test the validity of the new measure. According Arasaratnam (2009), the final ICC scale which was used in the analyses yielded a Cronbach alpha of .77 in this research. The author utilized only 4 out of 10 items in the actual analyses, as the rest of them were not relevant in the studied context.

Based on the most recent validation and development of ICC measurement of Arasaratnam (2009), in this study, intercultural communication competence refers to the motivation to interact with people from other cultures, positive attitudes toward people from other cultures, and interaction involvement.

3.6.3 Organizational Culture and Communication Performance

Schein (1992) defines culture as “a set of basic tacit assumptions about how the world is and ought to be that a group of people share and that determines their perceptions, thoughts, feelings, and, to some degree, their overt behavior.” According to the anthropological school, culture is conceptualized either as a system of shared organizations (Rossi and O’ Higgins, 1980) or as a system of shared symbols and meanings (Lee and Yu, 2001).

Organizational cultures are communicative creations, embedded in a history and a set of expectations about the future (Conrad and Poole, 2002). The concept of organizational culture began with Pettigrew (1979), who showed how related concepts such as “symbolism,” “myth,” and “rituals” can be used in organizational analysis. Bower (1966) simply defined organizational culture as “the way things are done around here.” Organizational culture is also defined as mix of values, guiding beliefs, understandings, and ways of thinking and expectations that are shared by members of an organization (Smircich, 1983; Brown and Starkey, 1994).

The conceptualizations of organizational culture exist along a continuum extending from the instrumental to the academic (Alvesson, 1989). Two extremes of

the conceptual continuum are 1) the process-oriented and 2) classification approaches (Lim, 1995). The process approach is typically represented by Schein's model, the three levels of culture (1992). Schein (1990) defined organizational culture as:

....a pattern of basic assumptions that a group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid, and therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems.

(Schein, 1990: 111)

According to Schein (1992), organizational culture comprises three levels, i.e. 1) artifacts, 2) espoused values, and 3) basic assumptions (Figure 3.7). According to Schein, artifacts refer to the tangible and observable aspects of an organization, such as physical layout, behavioral rituals, dress and written documents. Espoused values are unobservable, such as beliefs, vision, mission and organizational philosophy. Basic assumptions are also unobservable, such as ways of doing things, standard operating procedures, and presumed methods of efficiency.

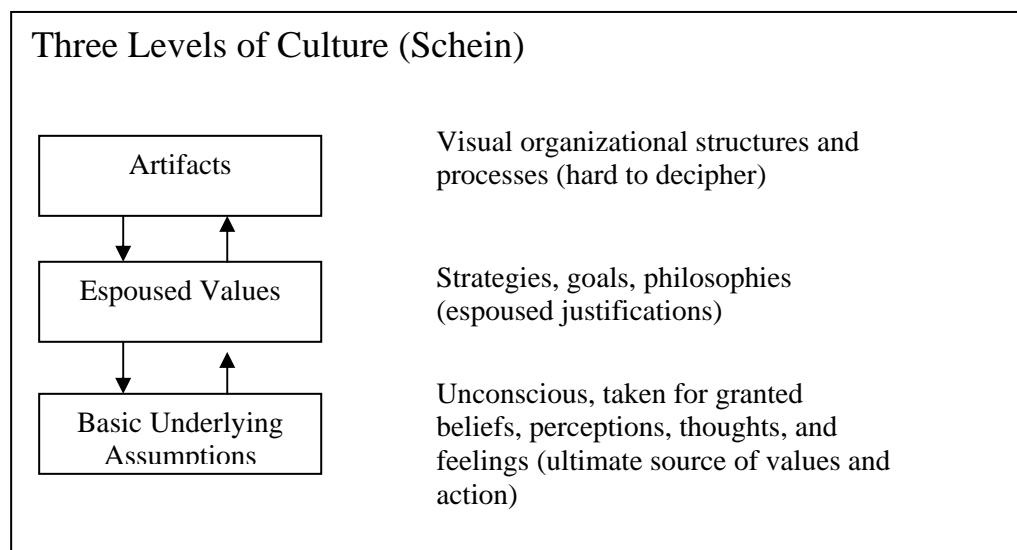


Figure 3.7 Schein, 1992

Researchers in the classification approach propose that corporate cultures correspond to a range of ideal types, which are typically underpinned by two or more variables (Hampden-Turner, 1990). Hofstede's study and explanation of cultural differences in management styles was also based on the classification approach. Hofstede (1980) collected data from IBM employees in over 40 countries and explained the cultural differences among nationalities in four dimension: power distance, uncertainty avoidance, individualism/collectivism, and masculinity/ femininity).

Schein (1992) suggests that organizational culture is more important today because increased competition, globalization, mergers, acquisitions, alliances, and various workforce developments have created a greater need for coordination and integration across organizational units in order to improve efficiency, quality, and speed of designing and delivering products and services. Ouchi (1981) suggested a similar relationship between corporate culture and increased productivity. Deal and Kennedy (1982) raised the idea of the importance of "strong" culture in contributing to successful organizational performance.

Malinvisa Sakdiyakorn and Isra Sunthornvut (2002) investigated the emerging propositions that organizational culture, through correctly synthesized interrelationship with organizational structures and its contingency variables, plays a significant role in enhancing organizational performance. Having summarized the key characteristics of cultures and their relations with structural variables based on researchers such as Betts and Halfhill (1985), and Malinvisa Sakdiyakorn and Isra Sunthornvut (2002), the relations are shown in the table 3.8:

Table 3.8 Key Characteristics of Cultures and Their Relations with Structural Variables

Key Characteristics in Which Culture Differs variables	Structurally Related
1. Individual initiative: The degree of responsibility, freedom, and independence that individuals have.	Centralization/formalization
2. Risk tolerance: The degree to which employees are encouraged to be aggressive, innovative and risk-seeking	Formalization

Table 3.8 (Continued)

Key Characteristics in Which Culture Differs variables	Structurally Related
3. Direction: The degree to which the organization creates clear objectives and performance expectations	Formalization
4. Integration: The degree to which units within the organization are encouraged to operate in a coordinated manner	Standardization/formalization
5. Management support: The degree to which managers provide clear communication, assistance, and support to their subordinates	Span of control
6. Control: The number of rules and regulations, and the amount of direct supervision that is used to oversee and control employee behavior	Formalization/Span of Control
7. Identity: The degree to which members identify with the organization as a whole rather than with their particular work group or field of professional expertise	Complexity/differentiation/specialization
8. Reward system: The degree to which reward allocations (salary increases, promotions) are based on employee performance criteria in contrast to seniority, favoritism, and so on	Hierarchy of authority
9. Conflict tolerance: The degree to which employees are encouraged to air conflicts and criticisms openly	Centralization
10. Communication patterns: The degree to which organizational communications is restricted to the formal hierarchy of authority.	Hierarchy of authority

Source: Gordon, Cummins, Betts and Halfhill in Malinvisa Sakdiyakorn and Isra Sunthornvut (2002)

Researchers such as Collins and Porras (1994) and Peter and Waterman (1982) view culture as an internal variable of an organization. Denison and Mishra (1995) discovered through rigorous methodology that cultural strengths were significantly associated with short-term performance. Kotter and Heskett (1992) refined the culture-performance framework and found that firms with “adaptive values” are strongly associated with superior performance over a long period of time as compared to just short term performance.

The strategic development process offered by Porter begins with the relative position of a firm in a specific industry and considers the firm’s environment. Then, the firm assesses what strategy is the one that maximizes the firm’s performance. In contrast, the Resource-Based Theory is an inside-out process of strategy formulation. The resource-based view emphasizes the internal capabilities of the organization formulating-strategy to achieve a sustainable competitive advantage in its industries. The resource-based view argues that the firms that possess valuable and rare resources can achieve competitive advantage, and this leads to superior long-term performance. This advantage can be sustained over longer time periods to the extent that the firm is able to protect against resource imitation, transfer, or substitution. In general, empirical studies using the theory have strongly supported the resource-based view.

Kotter and Heskett (1992) have attempted to make anecdotal evidence more systematic and empirical. They had financial analysts identify the firms they considered most successful and then described the key factors discriminating these firms from those that were less successful. Seventy-four of the seventy-five analysts indicated that organizational culture was a key factor. They also found that firms with cultures that valued the key stakeholders (customer, stakeholders, and employees) and leadership from managers at all levels significantly outperformed firms that did not have those cultural values. Lee and Yu (2001) investigated the possible relationships between corporate culture and organizational performance among Singaporean companies and found that culture impacted a variety of organizational processes and performance. Deal and Kennedy (1982) argued that adopting certain common cultural traits would result in superior performance. As supported by the resource-based theory, successful cultures may be very difficult to imitate due to their many interlocking elements (Lee and Yu, 2001). Sheridan (1992) found that an interpersonal

relationship-oriented culture highly influenced the retention of executives. Quick (1992) reported on a case study of Southwest Airlines' success which was based on its founder's role in disseminating and role-modeling the core values and basic assumptions.

The measures of organizational culture have also been seen to be related significantly to objective measures of performance (Petty et al., 1995). Zammuto and Krakower (1991) measured organizational culture in American higher education and found that trust, morale, and leader credibility correlated negatively with hierarchical and rational organizational cultures and with conflict and scape goating. They found significant relationships between dimensions of organizational culture and key characteristics of communication performance.

In the dimensional approach, organizational culture is conceptualized based on the work of Quinn and Kimberly (1984), and Zammuto and Krakower (1991):

- 1) **Group culture:** people-centered, emphasizing organizational flexibility, and cohesion, and has human resource development as a key organizational goal
- 2) **Developmental culture:** organization-centered, emphasizing flexibility and adaptability
- 3) **Hierarchical culture:** akin to the classic bureaucratic culture, which emphasizes stability and control
- 4) **Rational Culture:** organization-centered, emphasizing control and planning as key instrumentalities

In the study of Pandey and Garnett (2006), the developmental culture and group culture led to enhanced interpersonal communication performance.

Empirical scholarship on culture and communication research initially focused on the concept of the communication climate. Schneider and Snyder defined organizational climate as "a summary perception which people have of an organization" (Pandey and Garnett, 2006). The climate literature has focused on characteristics such as trust, openness, credibility, accuracy, and frequent communication (Grunig 1992). Researchers believed that climate was a characteristic of the organization, not of the individual. These definitions of organizational climate are consistent with later views of organizational culture (Eisenberg and Riley, 2000).

More articles and research on culture and performance has been needed (Reichers and Schneider, 1990, Lee and Yu, 2001). Until recently, the relationship between organizational culture and communication performance has not been addressed. However, further empirical study is needed to claim the significant roles of organizational cultures in communication performance.

In this study, organizational culture is defined as an organization's underlying values and orientation that set the climate and tone for interpersonal, external, and internal communication. This study employs the dimensional approach that includes the three culture types, i.e. Group Culture, Developmental Culture, and Rational Culture. As hierarchical culture has a significant conceptual overlapping with decentralization measures, it is excluded from this research.

3.6.4 Decentralization and Communication Performance

For decades, decentralization has been a discussed factor in terms of how it influenced subjective outcomes (e.g. collective satisfaction) and objective outcomes (e.g. financial outcomes). In broad terms decentralization, as opposed to centralization, is the structure of delegating decision-making authority throughout an organization, relatively away from a central authority. Some features of a decentralized organization are fewer tiers to the organizational structure, wider span of control, and a bottom-to-top flow of decision-effecting ideas. In a more decentralized organization, the top executives delegate much of their decision-making authority to lower tiers of the organizational structure. One advantage of this structure, if the correct controls are in place, will be the bottom-to-top flow of information, allowing all decisions of any official of the organization to be well informed about lower tier operations.

Neher (1977) identifies decision-making as a key function of organizational communication. Although there has been increasing interests in organizational outcomes being achieved by decentralization of decision-making authority to lower level employees, the literature examining the relationship of decentralization to organizational performance is scarce (Richardson et al., 2002).

While much literature support the notion that employees should be provided with decision-making authority, there has been confusion about distinguishing between the methods of decision making provided to employees and its common

foundation (Richardson et al., 2002). Leana (1985) simplified the explanation of the methods of decision making in a continuum from completely autocratic on the one end, and the other end to decentralized decision making at the other end. Falling between the two extremes is participative decision making. Decentralization is broadly defined as “a dynamic participative philosophy of organizational management that involves selective delegation of authority to the operational level” (Przestrzeki, 1987, Richardson et al., 2002).

Unlike psychological empowerment, in which the effect occurs at the individual or team level, decentralization is a characteristic of the entire organization or units. To order to investigate decentralization as an organizational structure, it is useful to review its trend historically.

3.6.4.1 Decentralization as an Organization Structure and Historical Trend

According to Gortner et al. (1997), studies at the organizational level include work on structures and hierarchies and on processes such as communication and decision making. Understand organizational structure is to understand how coordination is formed among the interdependence of people and jobs, and how information flows and decision making is making are created (Chanin Yoopetch and Chirapanda Suthawan, 2009). Green et al. (2005) indicated that organizational structure is comprised many aspects, such as specialization, integration, formalization, and decentralization:

- 1) Specialization – the extent to which jobs in the organization are narrowly defined in terms of required knowledge, skills, and experience
- 2) Integration – the horizontal integration of the departments in the organization
- 3) Formalization – the extent to which the procedures, instructions, and communications are documented
- 4) Decentralization – the hierarchical level within the organization where the authority to make decisions is delegated

As organizational structure can be thought of as the arrangement of people and tasks to accomplish organizational goals, it is necessary to create a structure that fits with its purpose, strategy, and external environment in order to

survive. In the early 20th century, scholars tried to make sense of organizational forms and to provide business and industry with advice about how best to organize in light of new development. By looking at the overall trend in organizational structure, management functions, and effectiveness, it can be seen that the trend has moved away from the generic toward the more unique and tailored. The following changing trends generally reflect both changes in the nature of organizations and in their external environment, which has moved toward more complexity, greater variability, and faster change (Drucker, 1985; Baker and Branch, 2002).

Scott (1987) has noted that organizations were typically viewed as closed and rational system. An organization was recognized as a machine metaphor. The closed system perspective was characterized by a focus on internal interactions and an emphasis on organizational order and control. Organizations were seen as most appropriately directed toward attaining specific goals through formal, and rational means. The individuals in these organizations were viewed as capable of rational decision making. Effectiveness from the rational perspective was achieved through 1) setting specific goals, 2) prescribing the behavioral expectations of organizational participants through formalization of rules and roles, and 3) monitoring conformance to these expectations. Management during this time was oriented toward the bureaucratic establishment and organizational control. Weber wrote in the early 1900s that bureaucracy was the most effective and efficient organizational form because the bureaucratic rational-legal structure provided the basis for stable and predictable behavior on the part of both subordinates and superiors. The concept of management control was furthered by Frederick Taylor's (1911) notion of scientific management, which consisted of rationalizing organizational behavior through extensive and detailed task analysis, systematization, and routinization. Simon (1957; 1979), well known for introducing the concept of bounded rationality, emphasized administrative control, in which the role of management was to eliminate complexity by simplifying decisions and developing systems to support organizational participants in making those decisions.

From the 1930s through the 1950s, the natural system perspective emerged and prevailed. In contrast to a rational system perspective, the natural system perspective views organizations as social collectivities whose primary interest is the

survival of the system. Management science was also gradually moving away from an emphasis on command and control to an emphasis on engaging the hearts and minds of the organizational participants. The human relations school gave rise to a large body of work directed at informal, normative structures, organizational cooperation, organizational culture, leadership, motivation, moral, and later teamwork (Barnard 1938; Peters and Waterman 1982).

In the early 1960s, an open system perspective that focused on an organization's interaction with its external environment received greater attention. An open system view emphasizes that an organization involves inputs – throughputs – outputs. Although the classic bureaucratic form may be the form of choice in a stable environment with low complexity, research has shown that rapid change and increased complexity require greater lateral mechanisms and a more organic form. Burns and Stalker (1961) describe and contrast organizational forms according to the following table 3.9:

Table 3.9 Organizational Forms, Characteristics and Environment

Form of Organization	Characteristics	Environment
1. Mechanistic Closed and rational organization.	Large-scale and low-complexity work activities	<ul style="list-style-type: none"> ▪ Stable environments ▪ Do not require adaptive change and innovation
2. Organic	Small-scale and high complexity work	<ul style="list-style-type: none"> ▪ Changing environments ▪ Require adaptation and innovation.

This approach is supported by Lawrence and Lorsch's (1967) contingency theory, which suggests that different environmental contexts place different requirements on organizations.

Mintzberg's (1979) theory of organizational structure, later on, enhanced understanding of organizational structure and design. Mintzberg introduced two concepts. First, was a set of basic mechanisms used to achieve coordination among divided tasks which was labeled as; strategic apex, operating core, middle line,

technostructure and support staff. Second, the organization was described as a set of interrelated parts.

Table 3.10 illustrates Mintzberg's five basic structural configurations, the dimensions of structure, the bases for grouping, and the effects of size and how they are all interrelated. Mintzberg divides organizational design into five configurations: 1) simple structure; 2) machine bureaucracy; 3) professional bureaucracy; 4) divisionalized form and 5) adhocracy.

First, the simple structure is composed of two parts: the strategic apex and the operating core. This structure is used for small entrepreneurial companies. The small size and tight personal control renders middle line, support staff, and techno-structure unnecessary (Gerloff, 1985).

Second, the machine bureaucracy is composed of all five structural parts: strategic, apex; operating core; middle line; support staff, and technostructure. Machine bureaucracies are well suited to a mass production situation involving stable environments and a simple, regulating technical system (Gerloff, 1985). Examples of such firms are automobile companies, insurance companies, and governmental agencies. In this configuration, the technostructure plans and formalizes standards in order to stabilize its technical system. The middle line is required to supervise the specialists of the operating cores. The middle line hierarchy is normally organized along functional lines with power centralized at the top (Gerloff, 1985).

Third, the professional bureaucracy is composed of a large operating core, and support staff and a small strategic apex, middle line, and technostructure. This configuration is suitable for organizations whose technology is largely implemented by a highly trained professional group that makes up its operating core, for example, universities, hospitals, and consulting firms (management, accounting, law and engineering) (Gerloff, 1985). According to Mintzberg, the professional bureaucracy operates best in an environment that is complex but stable and where the technical system is not regulated or complex. The professional hierarchy is decentralized while the support staff is centralized and performs routine jobs. This configuration involves high standardization of professional skills and personal specialization, limited formalization, and vertical hierarchy (Gerloff, 1985).

Fourth, the divisionalized structure includes all five structural parts: strategic apex, operating core, middle line, technostructure, and support staff. The format is common for old and large Fortune 500-sized companies (Gerloff, 1985). Mintzberg notes that this format is favored by machine bureaucracies because headquarters hold the division managers responsible for achieving goals and standards. In other words, headquarters retain centralized control via the performance control system. Each division is handled as a profit center. This configuration normally operates in stable but diversified markets, while technical systems are simple but regulating. Given the elements of this structure, Thai commercial banks can be typified in this configuration.

Fifth, adhocracies emerged to meet the needs of certain organizations that operate in a complex and dynamic environment involving complex technical systems such as aerospace, petrochemicals, film making, etc. (Gerloff, 1985). Its structures provide loosely coupled project teams from various disciplines. While specialization is the key, this configuration is low on formalization and standardization. Informal communication or mutual adjustment is required to enable effective coordination and responses to change. Power and control are widely distributed based on expertise rather than authority.

Table 3.10 An Overview of Configuration, Structural Dimensions, Bases for Departmentation and Size

Structural dimensions	Simple structure	Machine bureaucracy	Professional bureaucracy	Divisional structure	Adhocracy
Structuring of activities					
• Specialization	Low	High	High (personal)	High	High (personal)
• Standardization	Low	High	High for skills	High for division	Low
• Formalization	Low	High	Low	High	Low
• Vertical Span	Low (few levels)	High (many levels)	Moderate, low at top	Moderately high	Moderately high
Concentration of authority:					
Centralization	High	High	High for staff	High within the division	Low

Table 3.10 (Continued)

Structural dimensions	Simple structure	Machine bureaucracy	Professional bureaucracy	Divisional structure	Adhocracy
Autonomy	Low	Techno-structure only	High for professionals	Limited for divisions	Even distribution of power (fluid) High
Line control of work-flow	Depends on chief executive	Low	High for professionals	Low	
Size of supportive component	Small to none	Large (techno-structure and support)	Large (support only)	Large in total	Undetermined Distinctions blurred
Situation: Age and size	Young and small	Old and large	Variable	Old and large	Young and small
Technical system	Simple, not regulating, flexible	Regulation, mass production, inflexible	Not regulating or complex, but inflexible	Regulating, mass production, inflexible	Complex, may be automated, flexible
Environment	Simple, dynamic, hostile	Simple and stable	Complex and stable	Simple, stable, diversified	Complex and dynamic

Source: Mintzberg, 1981: 107.

Contingency theory's rationale is that the design of an effective organization must be adapted to deal with the circumstance of its internal and external environment. The properties of Mintzberg's structural framework, including centralization and decentralization, has important implications of an organization's effectiveness. According to table 3.10, the structural dimension under concentration of authority enhances understanding that decentralized decision making does not fit all configurations. The relationship between decentralization and organizational outcomes is contingent on contextual organizational characteristics. In complex and dynamic environments, headquarters or upper level management may face more information than they are capable of processing on their own (Ashmos et al., 1990; Wooldridge and Floyd, 1990, Richardson et al., 2002). According to the premise of the structural dimension, decentralization enables organizations to take advantage of lower level contributions that centralized decision making may overlook.

Communication scholars (e.g. Cheney, 1955; Deetz, 1992; Harrison, 1994) were interested in participative decision making which was a part of workplace democracy. Cheney (1995) defined workplace democracy as:

....a system of governance which truly values individuals' goals and feelings....as well as typically organizational objectives....which actively fosters the connection between those two sets of concerns by encouraging individual contributions to important organizational choices, and which allows for the ongoing modification of the organization's activities and policies by the group.

According to the proponents of workplace democracy, shared decision making among stakeholders (workers, investors, consumers, suppliers, etc.) is crucial in today's complicated organization (Miller, 1999).

The author has discussed decentralization an organization's structure. Next, the author will present ideas from the literature related to the relationships between decentralization and organizational communication.

To study "organizational communication" involves understanding of; 1) how the context of the organization influences the communication process and 2) how the symbolic nature of communication differentiates it from other forms of organizational behavior (Miller, 1999). These notions, especially the first one, explain why the author includes decentralization as an independent variable in communication performance.

Organizational communication scholars differ in how they classify approaches to organizational communication when they relate organizations to the historical trends. These approaches are classical, human relations, human resources, systems, cultural, and critical approaches. In organizational communication, decision making is normally discussed as an internal communication process. Miller (1999) describes the work on decision making in terms of six approaches to organizational communication which are summarized in table 3.11.

Table 3.11 Approaches to the Decision-making Process

Approach	Management's Concerns	Communication Characteristics	How Decision Making Would be considered:
Classical	Centralization authority and responsibility Discipline	Vertical (downward)	Decision making is seen as rational and logical process. Procedures through which decision makers can reach an optimal solutions as efficiently as possible is emphasized.
Human Relations	Attention to employees' social communication and motivation to increase workers' productivity	Vertical (downward) and horizontal	Participation in the decision-making process is seen as an avenue for the satisfaction of workers' higher-order needs (e.g. esteem needs and self-actualization need). Satisfied workers will then be productive.
Human Resources	Employees as assets who can contribute to organizational goals with their ideas for better workplace	All directions, team-based.	Participation in decision-making process is seen as an avenue for eliciting valuable information from employees and for ensuring effective implementation of organizational decisions.
Systems	- Organization as complex organism that must interact with its environment to survive. - Structure, functioning, interdependence, and permeability	Input-throughput- output process requires exchange and feedback.	Decision making is seen as a complex process involving multiple and varied stages. Participants in decision making are seen as interdependent and embedded within the larger organizational system.
Cultural	Values, behaviors, stories, and rules of organization and metaphors that comprise an organization's culture	Communicative interactions of organizational members and shared meanings	Decision making is seen as set of practices that reflect and contribute to organizational values and assumptions. Conflicts in decision making are seen as possible indications of different values within organizational subcultures.

Table 3.11 (Continued)

Approach	Management's Concerns	Communication Characteristics	How decision making would be considered:
Critical	Organizations as sites of domination, the pervasiveness of power and control	Top management provides value-based corporate vision, norms and rules that employees infer in their day-to-day operations	Decision making is seen as a process through which management can exert control over employees.

Source: Adapted from Miller, 1999.

Although the majority of recent work on decision making stems from human relations, human resources, and system approaches, emerging work from cultural and critical schools have begun to shed a contrasting light on the process of organizational decision making (Miller, 1999).

The author has discussed the concept of decentralization from the organizational communication perspective. Next the author will present several studies related to decentralization.

Decentralization in the public organization has been a major area of interest for researchers. Goal ambiguity in public organizations may be an important predictor of organizational centralization, or the degree to which power and authority concentrate at higher levels. Various authors contend that vague directives and mandates cause higher-level executives in government agencies to resist delegating their authority (Buchanan, 1975; Warwick 1975). Meyer (1979), among others, has argued that leaders in public agencies have shown reluctance to permit decentralization since there are few objective indicators that the leaders could use to hold lower levels accountable. In a study of the consequences of the four types of goal ambiguity (mission comprehension, directive goal, and evaluative goal, and priority goal ambiguity), Chun and Rainey (2006) have noted that priority goal ambiguity is likely to be positively associated with centralization in public organizations. Downs (1967)

has suggested that the heterogeneity of goals in public bureaus leads to less delegation of discretion to subordinates.

Richardson et al. (2002) have examined the boundary conditions that circumscribe decentralization's relationship with financial performance using a sample of behavioral healthcare treatment centers. Through correlation and regression analysis, they found that interaction between decentralization and aspirations was significantly associated with financial performance. In addition, internal decentralization was positively associated with employees' organizational commitment. Organization decentralization is closely related to the autonomy of empowerment. A quantitative study of Kim et al. (2009) focused on the effect of four management-commitment-to-service factors (i.e. organizational support, rewards, empowerment, and training) on employees' job satisfaction and service behavior. Ten hotels, located in Bangkok, participated in the study. They found that job satisfaction served as a mediator between three management service initiatives, i.e. rewards, empowerment, and training and employees' service behaviors toward customers and coworkers.

Based on a survey of 30,000 employees conducted by the Opinion Research Corporation, Morgan and Schieman (1983) found that a majority of the workers felt that their organization did not do a good job of downward communication. According to Miller (1987); Yammamarino; and Naughton (1988), increased centralization has been shown to lead to reductions in communication volume, time spent in informational interactions, and feedback. Therefore, despite various dimensions of organizational structure in the organizational communication literature, this study focuses on decentralization so that we can investigate the communication dynamic specifically influenced by decentralized or centralized structure.

In this study, decentralization is conceptualized as the organization's structure that allows opinions from the lower level of the structure to be listened to, and decision-making authority to be delegated throughout an organization, relatively away from a central authority.

3.7 Middle Range Theory of Communication Performance

Communication theory is considered to be any systematic summary about the nature of the communication process. Besides systematic summary, the functions of theories include exploring and focusing attention on particular concepts, providing clarification of observation, predicting communication behavior, and generating individual and social change (Littlejohn, 1999).

Theories of the middle range are methods of exploration and communication across theories. They build a “mass of empirical observations.” They support the nuancing and consolidation of grand theories and the emergence of new theoretical orientations. Figure 3.8 illustrates the relationship of grand theories, middle range theories, and the working hypotheses. Middle range theorists argue that the grand theories are a necessary beginning by themselves; however, they are too general to make determinate, testable hypotheses about human behavior. According to Merton, theories of the middle range are solutions to this problem, i.e. “theories that lie between the minor [often ad hoc] but necessary working hypotheses that evolve in abundance in day-to-day living and the all inclusive systematic efforts to develop a unified theory.” Theories of the middle range provide operational links between grand theories and daily events. According Huseman and Miles (1988); Jablin (1987); McPhee and Poole (2000), organizational communication, as a field of study, does not have an overarching unitary paradigm. However, it is fertile ground for an array of middle range theories (McPhee and Poole 2000; McPhee and Zaug 2001).

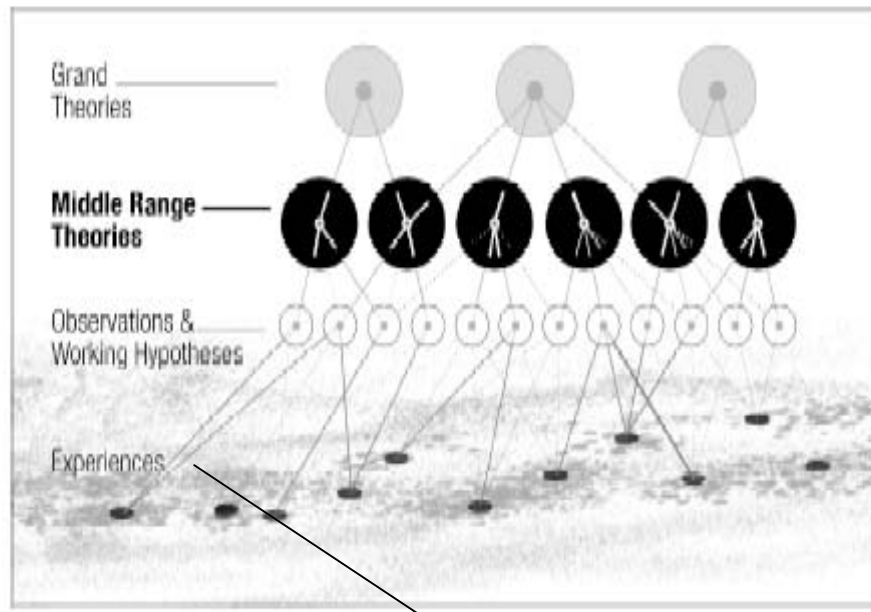


Figure 3.8 Observation, Grand Theories, and Theories of the Middle Range

While many researchers have devoted many articles to the nature and importance of communication performance, relatively fewer studies have contributed to the factors involved in communication performance, especially in the banking sectors. Drawn from the synthesized and statically significant communication performance model being tested, and having reviewed the literature in this field of study, the author finds that the relationships between the independent variables (i.e. goal clarity, intercultural communication competence, organizational culture, and decentralization) and the dependent variable (communication performance i.e. interpersonal communication, external communication, and internal communication) have been manifested but have not been prominently or systematically established.

The goals of this study are also to contribute to the body of knowledge of communication performance in the context of Thai state-owned and private-owned commercial banks and to provide further evidence to the exploratory middle range theory of communication performance in several ways: 1) by finding out the relationships between the independent variables (intercultural communication competence, and decentralization) and the dependent variable (communication performance) that has not yet been established, and 2) by further investigating the existing relationships of the

independent variables (goal clarity, and organizational culture) with the dependent variable (communication performance).

3.8 Conceptual Framework

Based on the related literature, the author would like to propose the following conceptual framework of communication performance:

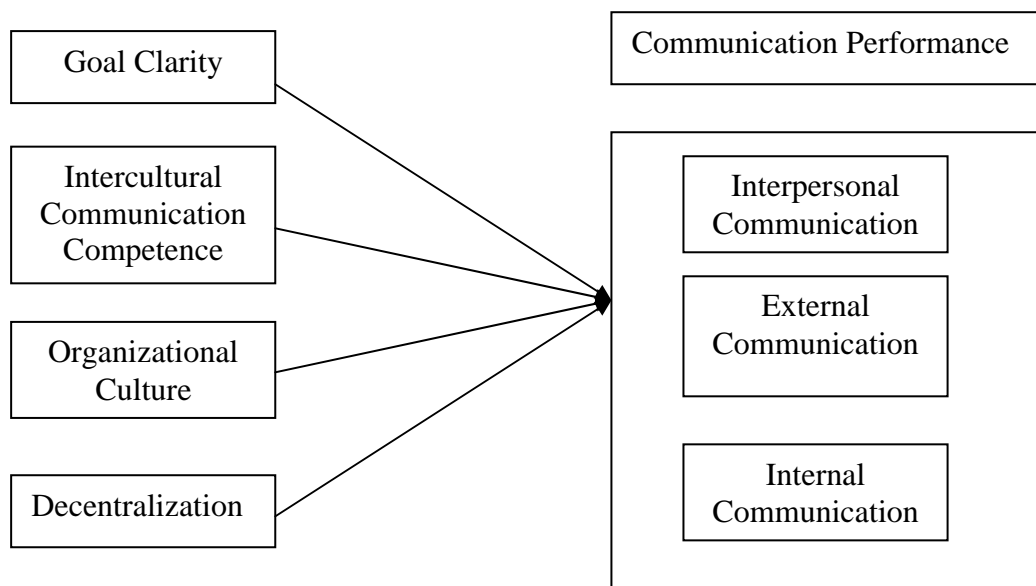


Figure 3.9 Conceptual Framework of Communication Performance

Following the conceptual framework, the researcher would like to propose the following hypotheses:

- H1: Goal clarity is positively related to communication performance in Thai commercial banks.
- H2: Intercultural communication competence is positively related to communication performance in Thai commercial banks.
- H3: The organizational culture in Thai commercial banks has a significant relationship with communication performance that varies according to type of culture.
- H4: Decentralization is positively related to communication performance in Thai commercial banks.

CHAPTER 4

RESEARCH METHODOLOGY

The previous chapter examined related literature and has provided conceptual framework. Chapter 4 elaborates on the research methodology. The author will explain the unit of analysis, the target population, the sampling, the data collection method, measurement reliability, measurement validity, and operationalized definitions.

Quantitative analyses are used in the study. As indicated by Garnett (1977), assessing communication performance is not easy under the best of circumstances. Survey research in order to obtain key informant assessments is the widely accepted methodology to investigate communication performance.

4.1 Unit of Analysis

The unit of analysis is at the organizational level. In this study, each bank branch represents one organization, and only branches in Bangkok will be investigated in order to ensure that population does not have great differences in terms of regional operations and geographical dispersion.

4.2 Target Population of the Study

The target population of this study is comprised of the branches of the 7 largest Thai commercial banks, with over 100 branches located in Bangkok. A total of 997 branches represent total number of the population. With the total of 1,251 branches with full services of all of the commercial banks located in Bangkok, 997 branches represent 80% of all banks in Bangkok. The following table illustrates the total number of branches with full services for each bank. These banks (Table 4.1) all have over 100 branches with full services.

In this study, 997 branches with full services are the total number of the population.

Table 4 1 The Number of Bank Branches in the Study

Bank	Number of Branches in Bangkok*
1. Siam Commercial Bank	171
2. TMB Bank	161
3. Kasikorn Bank	147
4. Krung Thai Bank	143
5. Bank of Ayudhya	139
6. Bangkok Bank	132
7. Siam City Bank	104
Grand Total	997

Source: data from Bank of Thailand as of April 2008

* Head office is included.

4.3 Sampling

With the population of 997 bank branches of 7 Thai commercial banks, the author used the stratified sampling method. Frey, Botan, and Kreps (2000), in *Investigating Communication – An Introduction to Research Method*, suggest the following table for populations ranging from 200 to 100,000 in order to produce confidence intervals of +/- 3%, 5%, and 10% at the 95% confidence level:

Table 4.2 Minimum Sample Sizes for Selected Populations

95% Confidence Level			
Confidence Interval (Margin of Error)			
Population Size (N)	+/-3%	+/-5%	+/-10%
200*	100a	100a	65
300	150a	150a	72
400	200a	200a	78
500	250a	218	61
750	325a	255	86
1,000	500a	278	88
1,250	576	294	90
1,500	624	306	91
1,750	664	316	92
2,000	696	323	92
2,250	724	329	93
2,500	748	334	93
3,000	788	341	94
3,500	818	347	94
4,000	843	351	94
4,500	863	354	94
5,000	880	357	95
7,500	935	366	95
10,000	965	370	96
15,000	997	375	96
20,000	1,014	377	96
50,000	1,045	382	96
75,000	1,053	383	96
100,000	1,056	383	96

Source: Frey, Botan and Kreps, 2000.

According to the table above, the population of 997 falls into 1,000; therefore the author used a sample size of 278 in order to ensure a confidence level of 95%. The following table shows the population and sample bank branches of this study:

Table 4.3 The Population and Sample

Banks located in Bangkok	Branches	
	Population	Sample
1. Siam Commercial Bank	171	47
2. TMB Bank	161	45
3. Kasikorn Bank	147	41
4. Krung Thai Bank	143	40
5. Bank of Ayudhya	139	38
6. Bangkok Bank	132	37
7. Siam City Bank	104	30
Grand Total	997	278

In order to guarantee an equal chance of being selected, the author used a simple random sampling method to select the sample from the population in each group. The author chose all 50 districts in the Bangkok area and then used simple random sampling method to select the sample from the population in each group.

4.4 Data Collection Method

The use of survey research is well established for assessing internal communication (Grunig, 1992; Holtzhausen, 2002), external communication (Grunig and Grunig, 1992), and interpersonal communication (Chef et al., 2002). Communication research concerns a wide range of situations, from intimate exchanges to mass appeals, from one-to-one interaction between members of a family to messages sent from one person to a large audience. Many contributions to the understanding of people's communication behavior have been made by scholars that have used the survey method. In fact the survey is the method used most often in published communication research (Anderson, 1987; Potter, Cooper, and Dupagne, 1993).

The study used self-administered questionnaires. The author randomly selected the bank branch by using Microsoft Excel with random functions. The author then sent the questionnaires to the targeted branches and followed-up by repeated

visits and phone calls. A total of 284 completed questionnaires were collected with a few missing values that were later followed up on by the author. The following diagram (4.1) explains the fieldwork carried out for the data collection.

Activity	Schedule
Pretest the questionnaires	1 – 30 September, 2009
Distribute the questionnaires to the targeted branches	1 October – 26 December, 2009
Complete the collections of all the questionnaires	31 January, 2010

Diagram 4.1 Activities and Schedule

4.5 Measurement Reliability and Validity

Data collected through questionnaires, interviews, and observations are worthwhile only if they are recorded in accurate ways. For any measurement to be valid, it must first demonstrate reliability (Frey, Botan, and Kreps, 2002). The author used multiple administration techniques; for instance, the test-retest method.

Questionnaires from reviewed literature were developed to suit the nature of the banking industry and the Thai context. They were pretested before the actual study., and all items were translated into the Thai language. Scales to measure are the seven point rating scale (1 = strongly disagree – 7 = strongly agree).

4.5.1 Measurement Reliability

In order to be reliable, the Cronbach's alpha should exceed the threshold of .70, although a .60 level can be used in exploratory research. To check the reliability, the questionnaires were pre-tested with 50 branch managers of Tanachart Bank PLC.. As a result, cronbach's alpha showed a satisfying reliability, above the .70 level, in all categories.

Table 4.4 The Reliability Analysis of the Questionnaire from Pre-Testing

Constructs	Cronbrach's alpha
Interpersonal (Inter Per 1 – 2) (2 items)	0.7635
External (Extern 1 – 4) (4 items)	0.7348
Internal (Intern 1 – 4) (4 items)	0.7954
Goal Clarity (Goal clr 1 – 3) (3 items)	0.7794
Rational Culture (Rc 1 – 4) (4 items)	0.7464
Developmental Culture (Dc 1 – 6) (6 items)	0.7428
Group Culture (Gc 1 – 7 items) (7 items)	0.7282
Intercultural Communication Competence (Icc 1 – 4) (4 items)	0.7383
Decentralization (Dcn 1 – 5) (5 items)	0.7764

Table 4.5 Pre-Testing of Descriptive Statistics

	Observed Items	Mean	SD
1.	Inter Per1	4.6	0.8812
2.	Inter Per2	4.0857	1.1973
3.	Extern1	5.6857	0.8668
4.	Extern2	6.0286	0.9848
5.	Extern3	5.8857	1.0224
6.	Extern4	5.7429	0.95
7.	Intern1	5.0571	1.1868
8.	Intern2	4.8	1.3016
9.	Intern3	4.6857	1.3617
10.	Intern4	5.0857	1.5218
11.	Goal Clr1	5.1714	0.9848
12.	Goal Clr2	4.8571	0.9745
13.	Goal Clr3	5.6857	1.2312
14.	Rc cul1	5.4571	1.2448
15.	Rc cul2	5.5143	0.9509
16.	Rc cul3	5.3143	0.9632
17.	Rc cul4	5.8286	0.9544
18.	Dc cul1	5.7143	1.0167
19.	Dc cul2	4.3714	0.942
20.	Dc cul3	5.2571	1.1205
21.	Dc cul4	5.7714	1.0596
22.	Dc cul5	5.3143	1.0784
23.	Dc cul	5.5429	0.8168

Table 4.5 (Continued)

	Observed Items	Mean	SD
24.	Gc cul1	5.4286	0.9167
25.	Gc cul2	5.7714	0.8432
26.	Gc cul3	4.2857	1.0167
27.	Gc cul4	5.5429	1.0667
28.	Gc cul5	5.1143	1.1574
29.	Gc cul6	5.4857	1.2217
30.	Gc cul7	5.7714	1.2148
31.	Icc 1	3.7143	1.0167
32.	Icc 2	3.4857	1.6693
33.	Icc 3	4.4857	0.8179
34.	Icc 4	4.6	0.7746
35.	Dcn1	3.9714	1.1754
36.	Dcn 2	4.4	0.8471
37.	Dcn 3	4.2286	0.6456
38.	Dcn4	4.3429	0.7648
39.	Dcn5	4.6571	0.9684

The items from the external communication performance construct demonstrated the highest mean at 6.02, while the lowest mean was the intercultural communication competence construct, which was 3.48.

Table 4.6 Questions from the Pre-testing Questionnaire

Constructs		Observed Variables
Communication Performance	Interpersonal Communication	Inter Per1 1: In our bank branch, we receive useful evaluations of my strengths and weaknesses at work. Inter Per2: In our bank branch, the only time we hear about our performance is when something goes wrong.
	External Communication	Extern1: In our bank branch, we can provide services the customers need. Extern2: In our bank branch, we can satisfy customers' needs. Extern3: In our bank branch, we can provide high-quality customer service. Extern4: In our bank branch, we can reduce criticism from citizens and customers.
	Internal Communication	Intern1: Downward communication of task performance directives and instructions is adequate Intern2: Downward communication about the strategic direction is adequate. Intern3: Upward communication about the problems that need attention is adequate. Intern4: Lateral communication giving emotional support to peers is adequate.

Table 4.6 (Continued)

Constructs		Observed Variables
Goal Clarity		Goal Clr1: This organization's mission is clear to almost everyone who works here.
		Goal Clr2: It is easy to explain the goals of this organization to outsiders. Goal Clr3: The organization has clearly defined goals.
Intercultural Communication Competence		Icc1: In our branch, we feel more comfortable with people from our own culture than with people from other cultures.
		Icc 2: At our branch, people from the same culture are closer to one another than those from different cultures. Icc 3: At our branch, people are supported to look for opportunities to interact with people from other cultures. Icc 4: At our branch, we are encouraged to be open to other cultures.
Culture	Rational Culture	Rc1: The glue that holds people in our branch together is the emphasis on task and goal accomplishment.
		Rc 2: In our branch, service orientation is commonly shared.
		Rc 3 People in our branch emphasize competitive actions and achievement.
		Rc 4: In our branch, measurable goals are important.
	Developmental Culture	Dc 1: Our branch is a very dynamic and entrepreneurial place.
		Dc 2: People in our branch are willing to take risks.
		Dc 3: The glue that holds people in our branch together is a commitment to innovation and development.
		Dc 4: There is an emphasis on being first in our branch.
	Group Culture	Dc 5: People in our branch emphasize growth and acquiring new resources.
		Dc 6: In our branch, readiness to meet new challenges is important.
		Gc1: Our branch is a very personal place.
		Gc 2: My branch is like an extended family.
		Gc 3: People in our branch seem to share a lot of themselves.
		Gc 4:The glue that holds people in our branch together is loyalty and tradition.
Decentralization		Gc 5: In our branch, commitment to this organization is high.
		Gc 6: My branch emphasizes human resources.
		Gc7: High cohesion and morale in our branch are important.
		Dcn1: In our branch, we have authority to make all decisions related to our work responsibilities freely.
		Dcn2: In our branch, we can make decisions freely and in a timely way to satisfy customers.
		Dcn3: In our branch, normally managers are required to wait for head quarter decisions to make any changes to improve procedures.
		Dcn4:At our branch, we are authorized to perform our job without being interfered with our decisions
		Dcn 5: At our branch, people receive the necessary information for efficient decision making.

The questionnaires were collected with a scale of 1 to 7 (lowest degree of agreement to highest degree of agreement).

4.5.2 Measurement Validity

There is an important difference between measurement reliability and measurement validity. Measurement reliability is assessed by a numerical indicator that ranges from 0 to 1.00. However, there is no meaningful number attached to measurement validity (Frey, Botan, and Kreps, 2000). Brinberg & McGrath (1985) noted that validity cannot be purchased with statistical techniques. However, researchers can ensure at the conceptual level that the measurement techniques assess accurately what they are supposed to assess. Next the author will explain content validity, criterion-related validity, and construct validity.

4.5.2.1 Content Validity

A measurement instrument, such as a questionnaire, possesses content validity if it measures the attributes or content of the concept being investigated. In order to establish content validity in this study, the author ensured that the measurement instrument reflected the constructs as they were defined conceptually. The panel approach is also recommended by Frey, Botan, and Kreps, 2000). Therefore, the author also presented the instruments to qualified communication instructors in order to receive their opinions; additionally the communication performance measurements available in the literature were reviewed. The following measurement of communication quality by Vos (2009) was used for comparison and to ensure content validity.

Scholars have employed the concept of communication performance differently. Vos (2009), for example, conceptualized communication performance as communication quality. She tested and evaluated a previously developed instrument for measuring communication in municipalities in the Netherlands by comparing four municipalities. The instrument draws on the balanced scorecard of Kaplan and Norton, and quality control procedures as used by the European Foundation of Quality Measurement (EFQM). Vos (2009) aimed to answer two research questions: 1) what is the quality of communication in the four selected municipalities, and 2) is the measurement instrument useful in improving communication quality and stimulating a dialogue about communication priorities with top managers?

In this study, Vos (2009) constructed and tested the instrument focusing on both internal and external communication. Vos (2009) defines communication

quality for municipalities as “the degree to which communication contributes towards the effectiveness of municipal policy and how it strengthens the relationship between citizens and municipal organizations”. She derived 7 indicators, to be used as measurement of communication quality, by interviewing 35 participating communication professionals and general managers. The interviewees were given to the three communication functions, namely; 1) Corporate Communication, 2) Policy Communication, 3) Organization-related communication. The 7 derived indicators of quality communication are shown in the following table:

Table 4.7 The Measurement of Communication Performance

Indicators	Definitions	Requirements
1. Transparency	Clarity of the message and policy.	A culture that values accountability.
2. Accessibility of information and organization	Citizens and organizations can find what and who they are looking for, through, e.g. provision of digital sources of information and contact people in such areas as neighborhood management.	A good system of dissemination and a clear organizational structure as well as an open culture.
3. Publicity via the media	The municipality is active with respect to media contacts and is as open as possible in supplying information.	None
4. Responsiveness	Observing feedback and applying it in making improvements;	A monitoring systems and the willingness to use feedback
5. Interactive policy	The active involvement of target groups (also those difficult to reach) in policy projects.	Procedures and rules and a culture focused on collaboration
6. Communication policy	Well-considered embedded communication as a policy tool in addition to other instruments	Strategic consideration and planning
7. Effective and efficiency of communication	A result-focused and efficient deployment of communication	Well-considered forms of research and cost-conscious procedures

Source: Vos, 2009.

In the following table, the author compares the 7 indicators of quality communication derived by Vos (2009) with the operationalized constructs of this study:

Table 4.8 A Comparison of the Operationalized Construct with Vos's Measurement

Indicators Vos (2009)	Definitions	Operationalized Constructs of Communication Performance in this Study
1. Transparency	Clarity of the message and policy.	<ul style="list-style-type: none"> • Goal Clarity • Organizational Culture • Decentralization
2. Accessibility of information and organization	Citizens and organizations can find what and who they are looking for, through, e.g, the provision of digital sources of information and contact people in such areas as neighborhood management	<ul style="list-style-type: none"> • Goal Clarity • Organizational Culture • Decentralization
3. Publicity via the media	The municipality is active with respect to media contacts and is as open as possible in supplying information.	<ul style="list-style-type: none"> • Goal Clarity • Organizational Culture • Decentralization • Intercultural Communication Competence
4. Responsiveness	Observing feedback and applying it in making improvements;	<ul style="list-style-type: none"> • Goal Clarity • Organizational Culture • Decentralization • Intercultural Communication Competence
5. Interactive Policy	The active involvement of target groups (also those difficult to reach) in policy projects.	<ul style="list-style-type: none"> • Goal Clarity • Organizational Culture • Decentralization • Intercultural Communication Competence
6. Communication Policy	Well-considered embedded communication as a policy tool in addition to other instruments.	<ul style="list-style-type: none"> • Goal Clarity • Organizational Culture • Decentralization • Intercultural Communication Competence
7. Effective and efficiency of communication	A result-focused and efficient deployment of communication	<ul style="list-style-type: none"> • Goal Clarity • Organizational Culture • Decentralization

Although Vos (2009) conceptualizes the 7 indicators and their requirements in measuring communication quality, the measured constructs of communication quality are similar to the measured constructs of communication performance of this study, as elaborated in table 4.7 and 4.8. Vos's measurement of communication quality (2009) turned out to clearly indicate both the strong and weak areas in each municipality. Vos (2009) found that the instrument was most useful when it fits into the policy cycle and is strengthened by involving outside auditors.

Additionally, the author translated the self-administered English language questionnaires used in this study into the Thai language as the respondents were projected to be Thai. In the translation, the author also referred to wording guidelines based on "Investigating Communication—an introduction to research method" by Frey, Botan, and Kreps (2000).

4.5.2.2 Criterion-related Validity

Criterion-related validity is established when a measurement technique is shown to relate to another instrument or behavior already known to be valid (Frey, Botan, and Kreps, 2000). Administering concurrent validity is one of the methods of ensuring criterion-related validity.

Concurrent validity is established when the results from a new measurement instrument agree with those from an existing known-to-be valid criterion (Frey, Botan, and Kreps, 2002). As this study is exploratory, the author made an effort to comply with concurrent validity by carefully selecting the measurements from the reviewed literature. For example, the results of the pre-test questionnaires and the actual results were mainly found to be consistent with the large-scale research findings of Pandey and Garnett (2006). They remarked that their communication performance research study was the largest and had the most impact at that time.

4.5.2.3 Construct Validity

Construct validity is the extent to which the scores on a measurement instrument are related in a logical way to other established measures (Cronbach, 1995). Frey, Botan, and Kreps (2000) mentioned "Construct validity is concerned with the extent to which a particular measure relates to other measures consistent with theoretically derived hypotheses concerning the constructs that are being measured." With this awareness, the author precisely reviewed the literature on communication

performance and all constructs, as shown in Chapter 3 and to ensure that they had sufficient theoretical support in terms of their contributions to organizational effectiveness and organization performance in addition to communication effectiveness.

4.6 Operationalization

In order to describe how the author operationalized the construct or variables, the following table demonstrates each variable's operationalization.

Table 4.9 Operationalized Definitions

Variables	Definitions	Operationalization	References
1. Communication Performance (Dependent Variables)	Communication Performance refers to three dimensions:		
	1. <u>Interpersonal Communication</u> : feedback that individuals receive in carrying out their job responsibilities.	The degree to which respondents receive useful feedback and evaluations of strengths and weaknesses at work.	Stone, Eugene F. (1976). The Moderating Effect of Work-Related Values on the Job Scope-Job-Satisfaction Relationship. Organizational Behavior and Human Performance.
	2. <u>External Communication</u> : organizations' ability to communicate	The degree to which organization can provide the services the public needs,	Gianakis, G. & Wang, X. (2000). Decentralization of the Purchasing

Table 4.9 (Continued)

Variables	Definitions	Operationalization	References
	effectively with its publics, particularly the clients served and other stakeholder citizens	satisfy public needs, provide high quality public service, and reduce criticism from citizens and clients	Function in Municipal Government: A National Survey. Journal of Public Budgeting, Accounting and Financial Management.
	3. <u>Internal Communication</u> : internal information flows and the specific purposes of downward, upward, and lateral flow.	<p>The degree to which downward communication is adequate: (1) task performance directives and instructions, and (2) the organization's strategic direction.</p> <p>The degree to which upward communication is adequate: problems that needed attention.</p> <p>The degree to which lateral communication is adequate: providing emotional support to peers</p>	Katz, D. & Kahn, R. (1966). The Social Psychology of Organizations. New York: Wiley

Table 4.9 (Continued)

Variables	Definitions	Operationalization	References
2. Goal Clarity (Independent Variable)	Goals and the mission of the organization are clearly defined and known by almost everyone who works in the organization.	The degree to which the organization's mission is clear to almost everyone working in the organizations The degree to which goals are clearly defined. The degree to which goals are easily explained to outsiders.	Rainey, H.G. (1983). Public Agencies and Private Firms: Incentive Structures, Goals, and Individual Roles. Administration & Society.
3. Intercultural Communication Competence (Independent Variable)	The motivation to interact with people from other cultures, positive attitudes toward people from other cultures, and interaction involvement.	The degree to which people in the organization are comfortable interacting with people from other cultures.	Derived from Arasaratnam, L.A. (2009) Journal of Intercultural Communication, issued 20, May 2009.
4. Organizational Culture (Independent Variables)	Organization's underlying values and orientation that sets the climate and tone for interpersonal, external, and internal communication.	1. Rational Culture: The degree to which the organizations is seen as emphasizing tasks, goal accomplishment, competitive actions, achievements, and measurable goal	Adapted from Zammuto, R. F. and Krakower, J.Y. (1991) in Pandey, S.K. and Garnett, J.L. (2006).

Table 4.9 (Continued)

Variables	Definitions	Operationalization	References
	The study refers to three types of cultures: rational, developmental, and group culture.	<p>2. Developmental Culture: the degree to which organizations are seen as dynamic, entrepreneurial places. The degree to which people are committed to innovation and development. The degree to which growth, acquiring new resources, and readiness to meet new challenges are seen as important.</p> <p>3. Group Culture: the degree to which organizations are seen as personal places, and as extended families. The degree to which members share a lot of themselves, where loyalty and tradition are held, and high cohesion and morale are important.</p>	
5. Decentralization (Independent Variable)	A key organizational structure that allows the opinions of people to be listened	The degree to which personal opinions are counted.	Derived from Chun, Y.H. and Rainey H.G. (2006).

Table 4.9 (Continued)

Variables	Definitions	Operationalization	References
	to and decision-making authority to be delegated throughout an organization, relatively away from a central authority	The degree to which managers to which employees are given flexibility in how they accomplish their work.	

This chapter explained the research methodology, the measurement reliability, the measurement validity and operationalized definitions. The next chapter will concern data analysis.

CHAPTER 5

DATA ANALYSIS

This chapter includes an explanation of the statistical analysis employed to investigate the relationships of the constructs. The author will describe the results of the reliability analysis, then the results of descriptive statistics, and finally the testing of the research hypotheses will be presented.

In order to employ the proper data analysis, it involves two considerations 1) an examination of previous literature and 2) answering the goals of the research. If no previous literature led to the research questions, correlation would be appropriate. Additionally, if the relationships between variables have not been established or strongly established, a correlation is recommended. Only after the relationships have been established can the future study attempt to find causality.

The literature supports the idea that the exploratory model of communication performance requires more empirical study. Pandey and Garnett (2006), for example, in their large-scale study of communication performance, concluded and recommended that interested researchers in communication performance will need to investigate further the relationships of constructs.

The goal of this study is mainly to investigate the relationships of the key factors of communication performance with the three dimensions of communication performance. Therefore, the author has used the correlation method to analyze the relationships of constructs.

Analyzing the Relationships between Variables

Researchers use statistical procedures to assess the relationship between two or more variables. A statistical relationship between variables is referred to as a correlation. A correlation between two variables is sometimes called a simple correlation and this term also applies to a correlation for a linear relationship (Frey, Boton, and Kreps, 2002). They also suggest that, in communication research, in order

to determine the statistical correlation between two variables, researchers must calculate two things: 1) the correlation coefficient, which indicates the types of strengths of the relationship between the variables, and 2) the coefficient determination which indicates the extent to which one variable can be explained by the other variable. To investigate the relationships of constructs, Spearman's rank correlation coefficient was used in this study.

In statistic, Spearman's rank correlation coefficient or Spearman's rho, is a non-parametric measure of statistical dependence between two variables. It is widely used to test for associations in the testing of the hypothesis. The hypothesis in which Spearman's rank correlation coefficient is involved is that there is no association between the variables under study. Thus, the purpose of Spearman's rank correlation coefficient is to investigate the possible associations in the underlying variables.

In order to analyze the relationships among the constructs, the author used Spearman's rank correlation coefficient. After the result of statistical correlation was found, the author used regression analysis to determine the extent to which one variable could be explained by the other variable. In addition, in order to achieve the objective of this study in investigating the key factors affecting communication performance in the context of state-owned and private owned-banks, the author used Hotelling's t-test to compare private-owned banks' statistical results and state-owned bank's statistical results. The results analyzed by bank are also presented. The objectives of the comparative analyses are academic and focus on enhancing understandings of how each factor plays a significant role in different contexts.

The organization of this chapter is in the following order: 5.1) reliability analysis, 5.2) results of the descriptive statistic, 5.3) the results of the testing research hypothesis using statistical correlations, 5.4) regression analysis to determine the relationships of variables, 5.5) the statistical results of private and state-owned banks, and 5.6) the statistical results by Bank.

5.1 Reliability Analysis

In order for a measurement to be valid, it must first demonstrate reliability (Frey, Botton, and Kreps, 2000). A reliability of measurements ranges between 0%

and 100%. A reliability assessment, called a reliability coefficient, provides a numerical indicator that gives percentage of time a measurement is reliable. One of the techniques is the Cronbach's (1951) alpha coefficient method, which uses the overall relationship among the answers as the reliability coefficient for the instrument. According to Frey, Boton, and Kreps (2000), in communication research, the coefficient of .70 or greater is preferred. In this study, there are five main constructs. Each construct is at and above .70. as shown in table 5.1:

Table 5.1 Constructs and Reliability Analysis (Cronbrach's alpha)

Constructs	Cronbach's alpha
Communication Performance (10 items) (Internal Communication, External Communication, Internal Communication)	.783
Goal Clarity (3 items)	.818
Culture (17 items)	.921
Intercultural Communication (4 items)	.697
Decentralization (5 items)	.758

The culture construct demonstrated the highest Cronbach alpha—.921, followed by a goal clarity construct .818. Next the author will describe the results of the descriptive statistics.

5.2 Results of Descriptive Statistics

The results of the descriptive statistics are organized as shown in Diagram 5.1:

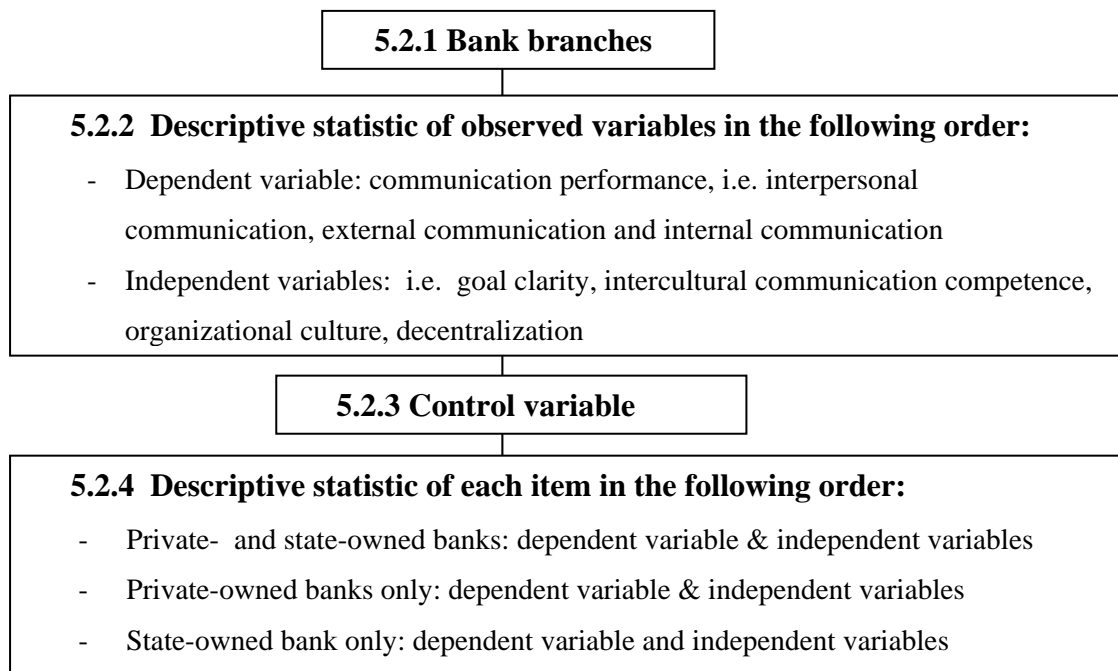


Diagram 5.1 Organization of Descriptive Statistics

5.2.1 Bank Branches

The data were collected from seven banks, totaling 284 bank branches in the following proportion (Table 5.2). Six private-owned banks that are included in this study are Siam Commercial Bank (18%), TMB Bank (14.1%), Kasikorn Bank (14%), Bank of Ayudhya (13.4%), Bangkok Bank (13%), and Siam City Bank (10.6%). One state-owned bank that fit the criteria and which was included in the study is Krung Thai Bank (16.5%).

Table 5.2 Number of Branches of the Studied Banks

(n=284)		
Bank	N	%
Siam Commercial Bank	51	18.0
TMB Bank	47	16.5
Kasikorn Bank	41	14.4
Krung Thai Bank	40	14.1
Bank of Ayudhya	38	13.4
Bangkok Bank	37	13.0
Siam City Bank	30	10.6

For the data collection, questionnaires were distributed to bank branches in the Bangkok area. The questionnaires were given to bank managers of the branches. Some managers assigned assistant managers to answer the questionnaires. Therefore, the main respondents are the bank managers and assistant managers. Based on the data collection, 43.10% were completed by the bank managers, and 56.9% were completed by the assistant managers.

Next the author will present the descriptive statistics of the observed variables.

5.2.2 Descriptive Statistics of the Observed Variables Communication Performance

Table 5.3 Descriptive Statistics of Observed Variables

Construct		Private and State-owned Banks (n=284)		Private-owned Banks (n=244)		State-owned Bank (n=40)	
		Mean	SD	Mean	SD	Mean	SD
Communication Performance	Interpersonal Communication	4.25	0.98	4.29	1.00	3.98	0.77
	External Communication	5.82	0.90	5.76	0.92	6.13	0.68
	Internal Communication	5.49	0.98	5.44	1.00	5.81	0.84
	Overall Communication Performance	5.37	0.73	5.34	0.75	5.57	0.56
	Goal Clarity	5.52	1.00	5.48	1.01	5.80	0.98
Intercultural Communication Competence	Rational Culture	5.78	0.92	5.75	0.93	5.96	0.81
	Developmental Culture	5.42	0.91	5.37	0.92	5.75	0.79
	Group Culture	5.49	0.99	5.41	1.02	5.99	0.67
	Overall Organizational Culture	5.54	0.84	5.48	0.86	5.89	0.66
Decentralization		5.03	0.97	4.98	0.98	5.36	0.88

From the descriptive results, the first construct in the study is communication performance, which is the second-ordered latent construct of three other constructs: interpersonal communication, external communication, and internal communication. The first construct is the dependent variable while the following constructs are the independent variables. The second and third constructs are goal clarity and Intercultural Communication Competence, respectively. The fourth construct, organizational culture, is also the second-ordered latent construct of three other constructs: rational culture, development culture, and group culture. The last construct of this study is decentralization.

From the observed variables, the scale is from 1-7. The mean of all data is in the range of 3.98 to 5.99. Table 5.3 illustrates the average of the mean of each construct by also showing the differences in (1) analyzing the data of private- and state-owned banks together, (2) in analyzing the data of private-owned banks only, and (3) in analyzing the data of state-owned banks only.

Dependent Variables

When analyzing both private and state-owned banks' data together, the highest mean was external communication at 5.82 and the lowest mean was interpersonal communication at 4.25. The average mean of the overall communication performance was 5.37. When analyzing only data of private-owned banks, the highest mean was also external communication (5.76) and the lowest mean was also interpersonal communication (4.29). The average mean of the overall communication performance was 5.34.

When analyzing only the data from state-owned bank, it can be seen that the highest mean was also external communication (6.13) and the lowest mean was interpersonal communication (3.98). The average mean of the overall communication performance was 5.57. The results are shown clearly in the following figure:

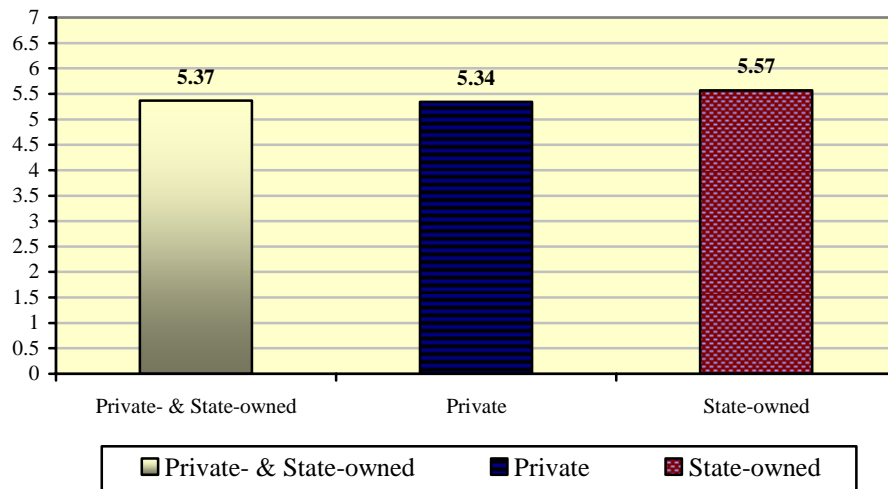


Figure 5.1 Communication Performance - the second-ordered latent construct

Figure 5.1 illustrates the three types of analyses by the splitting communication performance construct (the second-ordered latent construct) into interpersonal communication, external communication, and internal communication (the three first-ordered constructs).

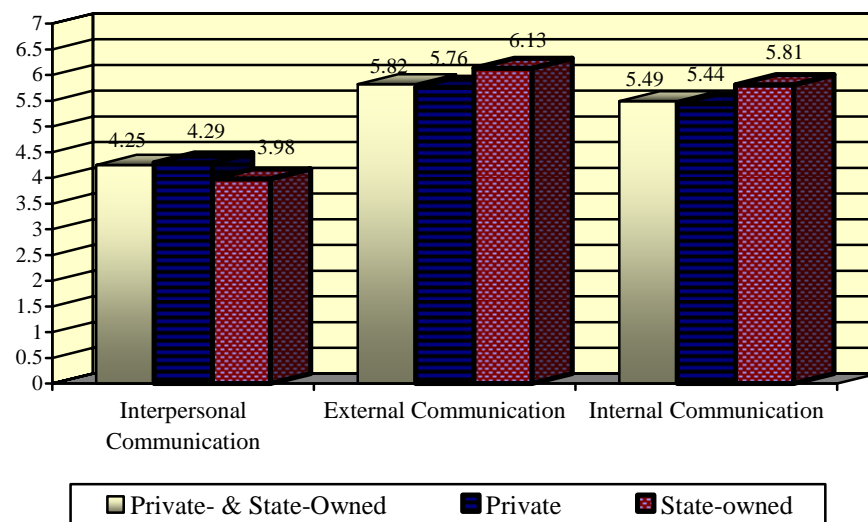


Figure 5.2 Communication Performance - the first-ordered construct

From figure 5.2 it can be seen that the interpersonal communication construct for private-owned banks is higher than that of state-owned bank, while state-owned bank's external and internal communication constructs are higher than those of private-owned banks.

Independent Variables

When analyzing both private and state-owned banks' data together, the highest mean was rational culture (5.78) and the lowest mean was decentralization (5.03). Goal clarity was the second highest mean (5.52), with group culture as the third (5.49), developmental culture as the fourth (5.42), and Intercultural Communication Competence as the fifth (5.41). When analyzing only private-owned banks' data, the highest mean was also rational culture (5.75) and the lowest mean was also decentralization (4.98). Goal clarity was also the second highest mean (5.48), with group culture as the third (5.41), intercultural communication competence as the fourth, (5.38), and developmental culture as the fifth (5.37).

When analyzing only the data of state-owned bank, the highest mean was however the group culture (5.99), whereas the lowest mean was decentralization (5.36). Rational culture exhibited the second highest mean (5.96), with goal clarity as the third (5.80), developmental culture as the fourth (5.75), and intercultural communication competence as the fifth (5.65). The results are shown clearly in the figures 5.3, 5.4, and 5.5:

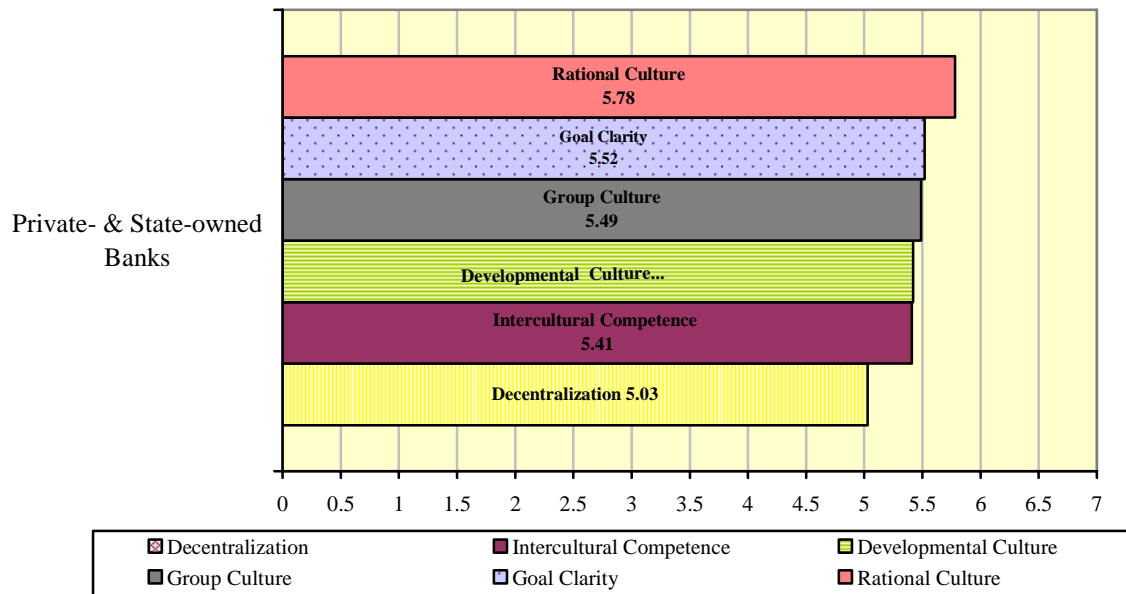


Figure 5.3 Private- and State-owned Banks

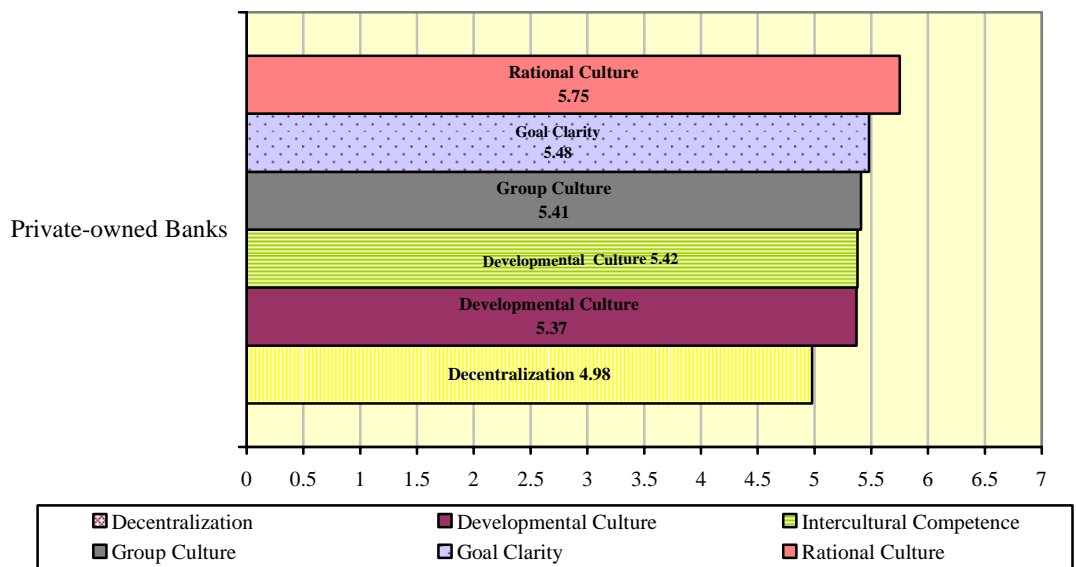


Figure 5.4 Private-owned Banks only

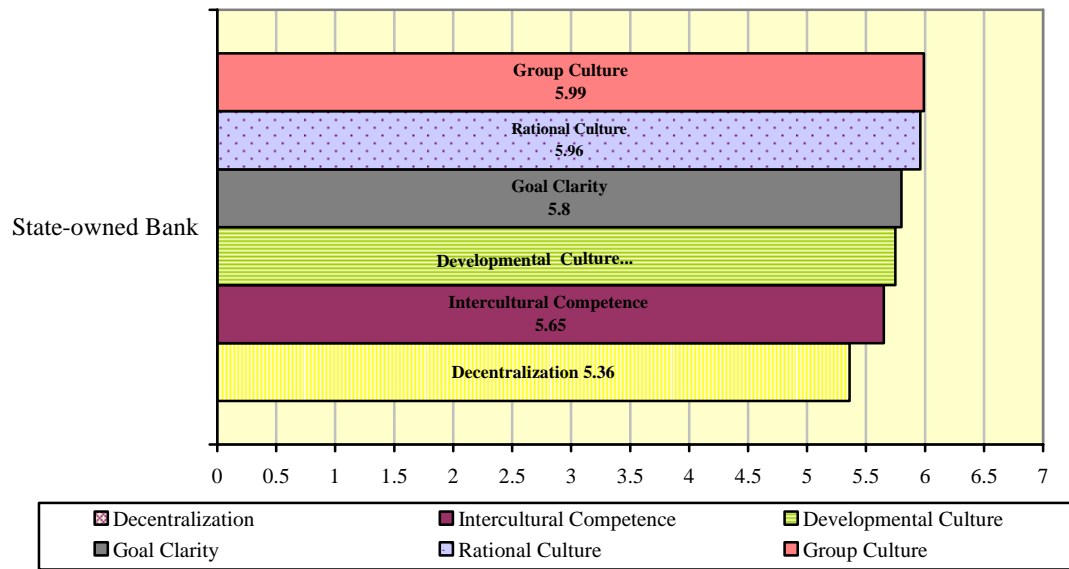


Figure 5.5 State-owned Bank only

5.2.3 Control Variable

The bank characteristic used as the control variable in this study was branch size. This question was open-ended and therefore the data were in ratio scale. The size of the bank branches selected for this study was greater than 6 employees. Forty-eight point nine percent of the studied bank branches have 6-10 employees, and 59.1% are branches with more than 10 employees. For the bank size of this study, the average number of employees was 12.69 or approximately 13 employees on average, ranging from 6 - 40 employees.

Table 5.4 Size of the Bank Branches

(n=284)

Size of Bank Branches (Number of Employees)	n	%
6 -10	116	48.9%
More than 10 employees	168	59.1%

5.2.4 Descriptive Statistics of Each Item

In order to elaborate the narrative results, the author uses criterion-referenced definitions for rating scales to describe the collected data. The questionnaires use 1-7 rating scales and are described as follows:

1 = strongly disagree	2 = disagree
3 = quite disagree	4 = fair
5 = quite agree	6 = agree
7 = strongly agree	

In order to determine the definition of the rating scales, the author used the highest rating score and the lowest rating score of each construct and divided them by the total number of questions in each construct. The outcome is as follows:

Table 5.5 Criterion-referenced Definitions

Rating	Degree of Agreement	Description*
1.00 – 2.50	Strongly Disagree	Very Low
2.51 – 4.00	Disagree	Low
4.01 – 5.50	Agree	High
5.51 – 7.00	Strongly Agree	Very High

In the following sections, the author will elaborate on the results of the descriptive statistics of each construct by also providing criterion-referenced definitions of each construct according to table 5.5. The author will also elaborate on the descriptive results by starting from the analysis of both private- and state-owned banks, then of only private-owned banks, and lastly of only state-owned bank.

5.2.4.1 Both Private- and State-owned Banks

Communication Performance

From the observed variables (Table 5.6), it can be seen that the scale is from 1-7. The mean of all data of Communication Performance is in the range of 4.25 – 5.49. The average mean of the interpersonal communication construct is 4.25 (2 items) which is considered high on interpersonal communication performance. The average mean of the external communication construct is 5.82 (4 items), which is

considered very high on external communication performance. The average mean of the internal communication construct is 5.49 (4 items), which is considered high on internal communication performance. The average mean of communication performance of private- and state-owned banks is 5.37.

Table 5.6 Communication Performance: Interpersonal Communication, External Communication, and Internal Communication

Private- and State-owned banks								(n = 284)	
Construct and Observed Variables	1	2	3	% 4	5	6	7	Mean ±SD	Degree of Agreement*
Communication Performance								5.37± 0.73	High
Interpersonal Communication								4.25 ± 0.98	High
Inter Per1 1: In our bank branch, we receive useful evaluations about our strengths and weaknesses at work.	0.0	0.7	4.2	1.6	27.1	38.8	17.6		
Inter Per2: In our bank branch, the only time we hear about our performance is when something goes wrong.	4.2	9.2	12.0	9.5	14.1	22.5	28.5		
External Communication								5.82 ± 0.90	Very High
Extern1: In our bank branch, we can provide services the customers need.	0.4	1.1	1.4	8.5	19.6	37.0	32.0		
Extern2: In our bank branch, we can satisfy customer' needs.	0.0	0.0	0.0	8.1	17.3	38.7	35.9		
Extern3: In our bank branch, we can provide high-quality customer service.	0.0	0.7	2.5	7.4	19.4	39.0	31.0		
Extern4: In our bank branch, we can reduce criticism from citizens and customers.	0.4	1.1	4.2	14.4	21.1	38.4	20.4		
Internal Communication								5.49 ± 0.98	High
Intern1: Downward communication of task performance directives and instructions is adequate.	0.7	1.1	3.2	9.2	26.8	30.6	28.4		
Intern2: Downward communication about the strategic direction is adequate.	0.7	1.8	2.1	9.2	22.5	36.6	27.1		
Intern3: Upward communication about problems that need attention is adequate.	2.8	3.9	6.0	15.8	30.7	29.9	10.9		
Intern4: Lateral communication giving emotional support to peers is adequate	0.4	1.4	4.9	11.3	21.0	34.2	26.8		

For Interpersonal Communication, by analyzing the data of both private- and state-owned banks' interpersonal communication together, 83.5% of the respondents agreed that in their organizations, they receive useful evaluations of strengths and weaknesses at work, 65.1% of the respondents agree that the only time they hear about their performance is when something goes wrong, whereas 25.4% of the respondents did not agree.

For External Communication, by analyzing the data of both private and state-owned banks' external communication together, 88.6% of the respondents agreed that in their organizations, they can provide services that customers need, 91.9% of the respondents agreed that they can satisfy customers' needs, 89.4% of the respondents agreed that they can provide high-quality services to customers, and 79.9% of the respondents agreed that they can reduce criticism from citizens and customers.

For Internal Communication, by analyzing the data of both private and state-owned banks' internal communication together, 85.8% of the respondents agreed that in their organizations, they receive adequate downward communication of task performance directives and instructions. Eighty-six point two percent of the respondents agreed that they receive adequate downward communication about strategic direction. Seventy-one point five percent agreed that the upward communication about problems that need attention is adequate.

Table 5.7 Goal Clarity

Private- and State-owned banks								(n = 284)	
Construct and Observed Variables	1	2	3	% 4	5	6	7	Mean ±SD	Degree of Agreement*
Goal Clarity								5.52 ± 1.00	Very High
Goal Clr1: This organization’s mission is clear to almost everyone who works here.	0.7	0.4	4.9	9.9	30.6	33.1	20.4		
Goal Clr2: It is easy to explain the goals of this organization to outsiders.	0.7	3.5	6.7	15.1	37.0	25.4	11.6		
Goal Clr3: The organization has clearly defined goals.	0.7	0.4	2.5	5.3	18.0	32.0	41.1		

The average mean of the goal clarity construct was 5.52 (3 items). According to the earlier illustrated criterion- referenced definitions (Table 5.5), goal clarity was considered very high. By analyzing the goal clarity construct of both private- and state-owned banks together, it can be seen that 84.1% of the respondents agreed that their organization's mission was clear to employees. Seventy-four percent of the respondents agreed that their organizations' goals can be easily explained. Ninety-one percent of the respondents agreed that their organizations had clearly defined goals.

Table 5.8 Intercultural Communication Competence

Private- and State-owned banks								(n = 284)	
Construct and Observed Variables	1	2	3	% 4	5	6	7	Mean ±SD	Degree of Agreement*
Intercultural Communication Competence								5.41 ± 0.86	High
Icc1: In our branch, we feel more comfortable with people from our own culture than with people from other cultures.	24.6	26.8	29.9	18.7	0.0	0.0	0.0		
Icc 2: At our branch, people from the same cultures are closer to one another than to the ones from different cultures.	22.9	28.2	31.7	17.3	0.0	0.0	0.0		
Icc 3: At our branch, people are supported to look for opportunities to interact with people from other cultures.	2.8	1.8	4.6	22.9	24.3	26.7	16.9		
Icc 4: At our branch, we are encouraged to be open to different cultures.	0.4	0.7	6.7	16.9	21.4	33.1	20.8		

The average mean of the intercultural construct was 5.41 (4 items). According to the earlier illustrated criterion- referenced definitions (Table 5.5), intercultural communication competence is considered high.

With reference to intercultural communication competence, by analyzing the data of both private- and state-owned banks together, none of the respondents felt that in their organization they were more comfortable with people from their own culture than with people from other cultures. Eighty-one point three percent of the

respondents disagreed that they were less comfortable when dealing with people from other cultures. None of the respondents responded that they were closer to those from the same culture than those from other cultures, while 82.8% of the respondents disagreed that people from the same cultures were closer to one another than those from different cultures.

Table 5.9 Organizational Culture

Private- and State-owned banks								(n = 284)	
Construct and Observed Variables	1	2	3	% 4	5	6	7	Mean ±SD	Degree of Agreement*
Organizational Cultures								5.54± 0.84	Very High
Rational Culture								5.78 ± 0.92	
Rc1: The glue that holds people in our branch together is the emphasis on task and goal accomplishment.	1.8	0.7	2.5	10.6	18.3	32.7	33.5		
Rc 2: In our branch, a service orientation is commonly shared.	0.0	0.4	3.9	8.1	19.7	33.5	34.5		
Rc 3 People in our branch emphasize competitive actions and achievement.	0.4	1.8	4.9	12.7	22.9	32.0	25.3		
Rc 4: In our branch, measurable goals are important.	0.0	0.7	1.8	7.7	18.7	29.6	41.5		
Developmental Culture								5.42 ± 0.91	High
Dc 1: Our branch is a very dynamic and entrepreneurial place.	0.0	0.7	2.8	7.7	17.6	34.5	36.6		
Dc 2: People in our branch are willing to take risks.	11.6	12.3	10.6	22.9	22.9	12.3	7.4		
Dc 3: The glue that holds people in our branch together is a commitment to innovation and development.	0.0	1.4	6.0	13.4	25.4	32.7	21.1		
Dc 4: There is an emphasis on being first in our branch.	0.0	0.0	2.8	10.9	14.8	29.2	42.3		
Dc 5: People in our branch emphasize growth and acquiring new resources.	0.0	1.4	3.2	12.3	24.6	30.3	28.2		
Dc 6: In our branch, readiness to meet new challenges is important.	0.4	0.4	6.0	12.0	22.2	35.6	23.6		
Group Culture								5.49± 0.99	High
Gc1: Our branch is a very personal place.	0.4	1.4	3.5	6.0	20.4	32.4	35.9		
Gc 2: My branch is like an extended family.	1.1	1.8	3.2	7.0	15.5	29.9	41.5		
Gc 3: People in our branch seem to share a lot of themselves.	1.8	6.3	11.6	22.9	27.5	21.1	8.8		

Table 5.9 (Continued)

Private- and State-owned banks								(n = 284)	
Construct and Observed Variables	1	2	3	% 4	5	6	7	Mean ±SD	Degree of Agreement*
Gc 4: The glue that holds people in our branch together is loyalty and tradition	0.0	4.2	4.6	9.6	23.9	23.9	33.8		
Gc 5: In our branch, commitment to this organization is high.	0.7	0.7	6.0	16.9	26.4	31.1	18.3		
Gc 6: My branch emphasizes human resources.	1.8	2.1	7.4	10.9	24.0	32	21.8		
Gc7: High cohesion and morale in our branch are important.	0.4	1.4	3.2	10.9	20.1	34.1	29.9		

The average mean of the overall organizational culture was 5.54 (17 items). According to the earlier illustrated criterion- referenced definitions (Table 5.5), organizational culture was considered very high on rational culture, development culture, and group culture. However, by analyzing each culture separately, the average mean of the rational culture as 5.78 (3 items), which is considered very high. The average mean of the development culture and the group culture was 5.42 (6 items) and 5.49 (7 items), respectively, which was considered high.

For the rational culture, by analyzing the data of both private- and state-owned banks together, 84.5% of the respondents agree that the glue that holds them together is the emphasis on task and goal accomplishment. Eighty-seven point seven percent of the respondents agreed that a service orientation is commonly shared. Eighty point two percent of the respondents agreed that people in their organizations emphasize competitive actions and achievement, and 89.8% agreed that measurable goals are important.

For the development culture, 88.7% of the respondents agreed that their organizations are dynamic and entrepreneurial places. Forty-two point six percent of the respondents agree that people in their organizations are willing to take risks, while 35% disagreed with the idea of the willingness to take risks. Seventy-nine point two percent of the respondents agreed that the glue that holds them together is a commitment to innovation and development. Eighty-six point three percent agreed that being first was an emphasis in their organizations and 83.1% agreed that their

organizations emphasize growth and acquiring new resources. Eighty-one point four percent agreed that their organizations' readiness to meet new challenges was important.

For the group culture, 88.7% of the respondents agreed that their organizations are a very personal space and 86.9% agreed that their organizations are like extended families. Fifty-seven point four percent of the respondents agreed that people in their organizations share a lot of themselves. Eighty-one point six percent of the respondents agreed that the glue that holds them together is loyalty and tradition. Seventy-five point seven percent agreed that, in their organizations, commitment is high, and 84.1% agreed that high cohesion and moral are important. Seventy-seven point eight percent agreed that that their organizations emphasize human resources.

Table 5.10 Decentralization

Private- and State-owned banks								(n = 284)	
Construct and Observed Variables	1	2	3	% 4	5	6	7	Mean \pm SD	Degree of Agreement*
Decentralization								5.03 \pm 0.97	High
Dcn1: In our branch, we have authority to make all decisions related to our work responsibilities freely.	3.2	7.0	12.0	16.5	30.0	20.4	10.6		
Dcn2: In our branch, we can make decisions freely and in a timely way to satisfy customers.	2.8	4.2	7.0	16.2	25.4	29.6	14.8		
Dcn3: In our branch, normally managers are required to wait for head quarter decisions to make any changes to improve procedures.	18.3	31.7	32.4	17.6	0.0	0.0	0.0		
Dcn4: At our branch, we are authorized to perform our job without being interfered with in our decisions	5.3	4.6	8.1	23.6	27.1	27.1	4.2		
Dcn5: At our branch, people receive the necessary information for our efficient decision making.	1.4	2.1	6.7	13.0	24.7	34.5	17.6		

The average mean of the decentralization was 5.01 (5 items). According to the earlier illustrated criterion- referenced definitions (Table 5.5), the decentralization is considered high.

For decentralization, by analyzing the data of both private- and state-owned banks together, 61.3% of the respondents agreed that, in their organizations, they have authority to make all decisions related to their work. Sixty-nine point eight percent agreed that they can make decision freely and in a timely way to satisfy customers. None of them responded that they were required to wait for head quarter decisions to make any changes to improve procedures, while 82.4% disagreed that this requirement was necessary in their organizations. Fifty-eight point four percent agreed that they are authorized to perform their jobs without being interfered with in their decisions and 76.8% agreed that they received the necessary information for efficient decision.

5.2.4.2 Private-owned banks Only

Communication Performance

From the observed variables (Table 5.11), the scale is from 1-7. The mean of all data of communication performance is in the range of 4.29 – 5.76. The average mean of the interpersonal communication construct is 4.29 (2 items), which is considered high on interpersonal communication performance. The average mean of the external communication is 5.76 (4 items), which is considered very high on external communication performance. The average mean of the internal communication construct is 5.44 (4 items) which is considered high on internal communication performance. The average mean of communication performance is 5.34.

Table 5.11 Communication Performance: Interpersonal Communication, External Communication, and Internal Communication)

Private -owned banks								(n = 244)	
Construct and Observed Variables	1	2	3	% 4	5	6	7	Mean \pmSD	Degree of Agreement*
Communication Performance								5.34 \pm 0.75	High
Interpersonal Communication								4.29 \pm 1.00	High
Inter Per1 1: In our bank branch, we receive useful evaluations of our strengths and weaknesses at work.	0.0	0.9	4.5	13.5	26.6	38.5	16		
Inter Per2: In our bank branch, the only time we hear about our performance is when something goes wrong.	4.9	10.3	13.1	9.8	14.4	22.1	25.4		
External Communication								5.76 \pm 0.92	Very High
Extern1: In our bank branch, we can provide services the customers need.	0.4	1.2	1.6	9.5	19.7	38.1	29.5		
Extern2: In our bank branch, we can satisfy customers' needs.	0.0	0.0	0.0	9.01	18.5	38.1	34.4		
Extern3: In our bank branch, we can provide high-quality customer service.	0.0	0.8	2.9	8.6	21.3	37.3	29.1		
Extern4: In our bank branch, we can reduce criticism from citizens and customers.	0.0	1.2	4.9	14.8	20.9	38.5	19.7		
Internal Communication								5.44 \pm 1.00	High
Intern1: Downward communication of task performance directives and instructions is adequate ¹	0.8	1.2	3.3	10.7	27.0	30.0	27.0		
Intern2: Downward communication about the strategic direction is adequate.	0.8	2.0	2.5	9.4	21.7	38.1	25.4		
Intern3: Upward communication about problems that need attention is adequate.	2.9	4.1	7.0	17.2	31.1	28.7	9.0		
Intern4: Lateral communication giving emotional support to peers is adequate.	0.4	1.6	4.9	11.9	19.7	34.8	26.7		

For Interpersonal Communication, by analyzing the data of only the private-owned banks' interpersonal communication, 85.6% of the respondents agreed that in

their organizations, they receive useful evaluations of their strengths and weaknesses at work, 61.9% of the respondents agreed that the only time they hear about their performance is when something goes wrong, whereas 28.3% of the respondents did not agree.

For External Communication, by analyzing the data of only private-owned banks' external communication, 87.3% of the respondents agreed that in their organizations they can provide services that customers need, 91% of the respondents agreed that they can satisfy customers' needs, 87.7% of the respondents agree that they can provide high-quality services to customers, and 79.1% of the respondents agreed that they can reduce criticism from citizens and customers. The results are slightly different compared with analyzing both private and state-owned banks.

For Internal Communication, by analyzing the data of only private-owned banks' internal communication, 84% of the respondents agreed that in their organizations, they receive adequate downward communication of task performance directives and instructions. Eighty-five point two percent of the respondents agreed that they receive adequate downward communication about strategic direction. Sixty-eight point eight percent agreed that upward communication about problems that need attention is adequate. Eighty-one point two percent of the respondents agreed that lateral communication in giving emotional support to peers is adequate. The results are similar to those from both private- and state-owned banks analyzed together.

Table 5.12 Goal Clarity

Private -owned banks								(n = 244)	
Construct and Observed Variables	1	2	3	% 4	5	6	7	Mean ±SD	Degree of Agreement*
Goal Clarity								5.48 ± 1.01	High
Goal Clr1: This organization's mission is clear to almost everyone who works here.	0.8	0.4	4.5	11.1	32.4	32.4	18.4		
Goal Clr2: It is easy to explain the goals of this organization to outsiders.	0.8	3.7	6.5	17.2	36.9	23.8	11.1		
Goal Clr3: The organization has clearly defined goals.	0.8	0.4	2.5	5.7	17.6	32.8	40.2		

The average mean of the goal clarity construct is 5.48 (3 items). According to the earlier illustrated criterion- referenced definitions (Table 5.5), the goal clarity of the private-owned banks is considered high.

For goal clarity, by analyzing the data of only private-owned banks, it can be seen that 83.2% of the respondents agreed that their organization's mission is clear to employees. Seventy-one point eight percent of the respondents agreed that their organizations' goals can be easily explained. Ninety point six percent of the respondents agreed that their organizations have clearly-defined goals.

Table 5.13 Intercultural Communication Competence

Private -owned banks								(n = 244)	
Construct and Observed Variables	1	2	3	% 4	5	6	7	Mean ±SD	Degree of Agreement*
Intercultural Communication Competence								5.38 ± 0.86	High
Icc 1: In our branch, we feel more comfortable with people from our own culture than with people from other cultures.	23.3	26.3	30.7	19.7	0.0	0.0	0.0		
Icc 2: At our branch, people from the same cultures are closer to one another than to those from different cultures.	22.1	28.7	32.0	17.2	0.0	0.0	0.0		
Icc 3: At our branch, people are supported to look for opportunities to interact with people from other cultures.	2.9	2.0	4.5	24.6	23.8	26.2	16.0		
Icc 4: At our branch, we are encouraged to be open to other cultures.	0.4	0.8	7.0	17.6	23.0	31.1	20.1		

The average mean of the intercultural construct is 5.38 (4 items). According to the earlier illustrated criterion- referenced definitions (Table 5.5), the intercultural communication competence of private-owned banks is considered high. For intercultural communication competence, by analyzing the data of only private-owned banks, none of the respondents felt that in their organization they are more comfortable with people from their own culture than with people from other cultures.

None of the respondents responded that they were closer to those from the same culture than to those from other cultures. Most of the results are similar to the results regarding private- and state-owned banks when analyzed together, except for one item, i.e. Icc 3. In private-owned banks, 65.8% responded that they were supported to look for opportunities to interact with people from different cultures versus 76% of the results from private- and state-owned banks analyzed together.

Table 5.14 Organizational Culture

Private -owned banks								(n = 244)	
Construct and Observed Variables	1	2	3	% 4	5	6	7	Mean ±SD	Degree of Agreement*
Organizational Cultures								5.48± 0.86	High
Rational Culture								5.75 ± 0.93	Very High
Rc1: The glue that holds people in our branch together is the emphasis on task and goal accomplishment.	2.0	0.8	2.5	11.5	18.4	33.2	31.6		
Rc 2: In our branch, a service orientation is commonly shared.	0.0	0.4	4.5	8.2	19.7	34.4	32.8		
Rc 3 People in our branch emphasize competitive actions and achievement.	0.0	1.6	4.9	13.5	23.4	31.1	25.5		
Rc 4: In our branch, measurable goals are important.	0.0	0.8	1.6	8.6	19.3	27.9	41.8		
Developmental Culture								5.37 ± 0.92	High
Dc 1: Our branch is a very dynamic and entrepreneurial place.	0.0	0.8	3.3	7.8	17.2	36.9	34.0		
Dc 2: People in our branch are willing take risks.	11.5	13.5	11.5	22.5	23.0	12.7	5.3		
Dc 3: The glue that holds people in our branch together is a commitment to innovation and development.	0.0	1.6	7.0	13.9	24.2	34.4	18.9		
Dc 4: There is an emphasis on being first in our branch.	0.0	0.0	2.9	12.3	13.5	29.5	41.8		
Dc 5: People in our branch emphasize growth and acquiring new resources.	0.0	1.6	3.7	13.2	24.6	30.3	26.6		
Dc 6: In our branch, readiness to meet new challenges is important	0.4	0.4	7.0	12.7	23.0	35.7	21.2		
Group Culture								5.41± 1.02	High
Gc1: Our branch is a very personal place.	0.4	1.6	4.1	7.0	21.3	33.2	32.4		
Gc 2: My branch is like an extended family	1.2	2.0	3.3	8.2	16.4	30.4	38.5		

Table 5.14 (Continued)

Private -owned banks								(n = 244)	
Construct and Observed Variables	1	2	3	% 4	5	6	7	Mean ±SD	Degree of Agreement*
Gc 3: People in our branch seem to share a lot of themselves.	1.6	6.6	12.7	24.2	26.6	20.5	7.8		
Gc 4: The glue that holds people in our branch together is loyalty and tradition	0.0	4.5	5.3	10.7	23.8	24.1	31.6		
Gc 5: In our branch, commitment to this organization is high.	0.8	0.8	6.6	18.9	27.0	29.5	16.4		
Gc 6: My branch emphasizes human resources.	2.0	2.4	8.6	11.9	23.8	31.6	19.7		
Gc7: High cohesion and morale in our branch is important	0.4	1.2	3.7	11.9	21.3	32.4	29.1		

The average mean of the overall organizational culture is 5.48 (17 items). The average mean of the rational culture is 5.75 (3 items), which is considered very high. The average mean of the development culture and the group culture is 5.37 (6 items) and 5.41 (7 items), respectively which is considered high. The rational culture has the highest mean among the three types of culture. This trend is the same as the result when private- and state-owned banks are analyzed together.

For the rational culture, by analyzing the data of only private-owned banks, 83.2% of the respondents agreed that the glue that holds them together is the emphasis on task and goal accomplishment. Eighty-six point nine percent of the respondents agreed that a service orientation was commonly shared. Eighty percent of the respondents agreed that people in their organizations emphasize competitive actions and achievement, and 91.7% agreed that measurable goals are important.

For the development culture, 88.1% of the respondents agreed that their organizations are dynamic and entrepreneurial places. Forty-one percent of the respondents agreed that people in their organizations are willing take risks, while 36.5% disagreed with willingness to take risks. Seventy-seven point five percent of the respondents agreed that the glue that holds them together is a commitment to innovation and development. 84.8% agreed that being first was an emphasis in their organizations and 81.5% agree that their organizations emphasize growth and acquiring new resources.

For the group culture, 88.7% of the respondents agreed that their organizations are a very personal place and 85.3% agreed that their organizations are like extended families. Seventy-nine point five percent of the respondents agreed that the glue that holds them together is loyalty and tradition. Seventy-two point nine percent agreed that, in their organizations, commitment is high, and 84.1% agreed that high cohesion and moral are important. Similar to the data analyzed with private- and state-owned banks, the private-owned banks appear to have a moderate mixture of all three types of culture, while the rational culture was the highest among all three types of culture.

Table 5.15 Decentralization

Private -owned banks								(n = 244)	
Construct and Observed Variables	1	2	3	% 4	5	6	7	Mean ±SD	Degree of Agreement*
Decentralization								4.98 ± 0.98	High
Dcn1: In our branch, we have authority to make all decisions related to our work responsibilities freely.	3.3	7.0	13.5	16.0	31.1	18.9	10.2		
Dcn 2: In our branch, we can make decision freely and in a timely way to satisfy customers.	2.9	4.9	7.4	17.6	25.4	28.3	13.5		
Dcn 3: In our branch, normally managers are required to wait for head quarter decisions to make any changes to improve procedures.	18.0	32.0	32.0	18.0	0.0	0.0	0.0		
Dcn 4: At our branch, we are authorized to perform our job without being interfered with in our decisions	4.9	4.9	9.4	24.2	27.5	24.6	4.5		
Dcn 5: At our branch, people receive the necessary information for our efficient decision making.	1.2	2.0	7.8	13.9	27.0	32.0	16.0		

The average mean of the decentralization is 4.98 (5 items). According to the earlier illustrated criterion-referenced definitions (Table 5.5), the decentralization is considered high.

For decentralization, by analyzing the data of private-owned banks only, 60.2% of the respondents agreed that, in their organizations, they have authority to make all decisions related to their works. Sixty-seven point two agreed that they can make decision freely and in a timely way to satisfy customers. None of them responded that they were required to wait for head quarter decisions to make any changes to improve procedures; in other words, 100% responded that this requirement was not necessary in their organizations. Fifty-six point six percent agreed that they were authorized to perform their jobs without being interfered with in their decisions and 75% agreed that they received the necessary information for efficient decisions.

5.2.4.3 State-owned Bank Only

Communication Performance

From the observed variables (Table 5.16), it can be seen that the scale is from 1-7. The mean of all data of Communication Performance is in the range of 3.98 – 6.13. The average mean of the interpersonal communication construct is 3.98 (2 items), which is considered low on interpersonal communication performance. The average mean of the external communication is 6.13 (4 items), which is considered very high on external communication performance. The average mean of the internal communication is 5.81 (4 items), which is considered very high on internal communication performance. The average mean of communication performance is 5.57.

Table 5.16 Communication Performance: Interpersonal Communication, External Communication, and Internal Communication

State -owned bank								(n = 40)	
Construct and Observed Variables	1	2	3	% 4	5	6	7	Mean ±SD	Degree of Agreement*
Communication Performance								5.57±0.56	Very High
Interpersonal Communication								3.98 ± 0.77	Low
Inter Per1 1: In our bank branch, we receive useful evaluations of our strengths and weaknesses at work.	0.0	0.0	2.5	0.0	30.0	40.0	27.5		

Table 5.16 (Continued)

State -owned bank								(n = 40)	
Construct and Observed Variables	1	2	3	% 4	5	6	7	Mean ±SD	Degree of Agreement*
Inter Per2: In our bank branch, the only time we hear about our performance is when something goes wrong.	0.0	2.5	5.0	7.5	12.5	25.0	47.5		
External Communication								6.13 ± 0.68	Very High
Extern 1: In our bank branch, we can provide services the customers need.	0.0	0.0	10.0	2.5	20.0	30.0	47.5		
Extern 2: In our bank branch, we can satisfy customers' needs.	0.0	0.0	0.0	2.5	10.0	42.5	45.0		
Extern 3: In our bank branch, we can provide high-quality customer service.	0.0	0.0	0.0	0.0	7.5	50.0	42.5		
Extern 4: In our bank branch, we can reduce criticism from citizens and customers.	2.5	0.0	0.0	12.5	22.5	37.5	25.0		
Internal Communication								5.81 ± 0.84	Very High
Intern 1: Downward communication of task performance directives and instructions is adequate.	0.0	0.0	2.5	0.0	25.0	35.0	37.5		
Intern 2: Downward communication about the strategic direction is adequate.	0.0	0.0	0.0	7.5	27.5	27.5	37.5		
Intern 3: Upward communication about problems that need attention is adequate.	2.5	2.5	7.5	7.5	27.5	37.5	22.5		
Intern 4: Lateral communication giving emotional support to peers is adequate.	0.0	0.0	5.0	7.5	30.0	30.0	27.5		

For interpersonal communication, by analyzing the data of only state-owned bank's interpersonal communication, 97.5% of the respondents agreed that in their organization, they received useful evaluations of strengths and weaknesses at work, Eighty-five percent of the respondents agreed that the only time they hear about our performance is when something goes wrong whereas 7.5% of the respondents disagreed with this term.

For External Communication, by analyzing the data of only state-owned bank's external communication together, 97.5% of the respondents agreed that in their organizations they can provide services to the customer's needs and they can satisfy customers' needs. One hundred percent of the respondents agreed that they can provide high-quality services to customers, and 85% of the respondents agreed that they can reduce criticism from citizens and customers. By comparing the results of the external communication of private-owned banks' and state-owned bank', it is shown that state-owned bank's is higher. For example, 100% of the state-owned bank's respondents agreed they could provide high quality service to customers, while 87.7% of the private-owned banks' agree with this term.

For internal communication, by analyzing the data of state-owned bank's internal communication, 97.5% of the respondents agreed that in their organizations they receive adequate downward communication of task performance directives and instructions. Ninety-two percent of the respondents agreed that they receive adequate downward communication about strategic direction. Eighty-seven point five percent agreed that upward communication about problems that need attention was adequate and that lateral communication in giving emotional support to peers was adequate.

Table 5.17 Goal Clarity

State -owned bank								(n = 40)	
Construct and Observed Variables	1	2	3	% 4	5	6	7	Mean \pm SD	Degree of Agreement*
Goal Clarity								5.80 \pm 0.98	Very High
Goal Clr 1: This organization's mission is clear to almost everyone who works here.	0.0	0.0	7.5	2.5	20.0	37.5	32.5		
Goal Clr 2: It is easy to explain the goals of this organization to outsiders.	0.0	2.5	7.5	2.5	37.5	35.0	15.0		
Goal Clr 3: The organization has clearly defined goals.	0.0	0.0	2.5	2.5	20.0	27.5	47.5		

The average mean of the goal clarity construct is 5.80 (3 items). According to the earlier illustrated criterion-referenced definitions (Table 5.5), the goal clarity of state-owned bank is considered very high.

For the goal clarity, by analyzing the data of only state-owned bank, 90% of the respondents agreed that their organization's mission was clear to employees. Eighty-seven point five percent of the respondents agreed that their organization's goals could be easily explained. Ninety-five percent of the respondents agreed that their organization has clearly-defined goals.

Table 5.18 Intercultural Communication Competence

State -owned bank								(n = 40)	
Construct and Observed Variables	1	2	3	% 4	5	6	7	Mean \pm SD	Degree of Agreement*
Intercultural Communication Competence								5.65 \pm 0.85	Very High
Icc 1: In our branch, we feel more comfortable with people from our own culture than with people from other cultures.	32.5	30.0	25.0	12.5	0.0	0.0	0.0		
Icc 2: At our branch, people from the same cultures are closer to one another than to those from different cultures.	27.5	25.0	30.0	17.5	0.0	0.0	0.0		
Icc 3: At our branch, people are supported to look for opportunities to interact with people from other cultures.	2.5	0.0	5.0	12.5	27.5	30.0	22.5		
Icc 4: At our branch, we are encouraged to be open to other cultures.	0.0	0.0	5.0	12.5	12.5	45.0	25.0		

The average mean of the intercultural construct is 5.65 (4 items). According to the earlier illustrated criterion-referenced definitions (Table 5.5), the intercultural communication competence of the state-owned bank is considered very high. For the intercultural communication competence, by analyzing the data of only state-owned bank, none of the respondents felt that, in their organization, they were more comfortable with people from their own culture than with people from other cultures. Eighty-seven point five percent of the respondents disagreed that they were less comfortable when dealing with people from other cultures.

Table 5.19 Organizational Culture

State -owned bank								(n = 40)	
Construct and Observed Variables	1	2	3	% 4	5	6	7	Mean ±SD	Degree of Agreement*
Organizational Cultures								5.89± 0.66	Very High
Rational Culture								5.96 ± 0.81	Very High
Rc 1: The glue that holds people in our branch together is the emphasis on task and goal accomplishment.	0.0	0.0	2.5	5.0	17.4	30.0	45.0		
Rc 2: In our branch, a service orientation is commonly shared.	0.0	0.0	0.0	7.5	20.0	27.5	45.0		
Rc 3 People in our branch emphasize competitive actions and achievement.	2.5	0.0	5.0	7.5	20.0	37.5	25.0		
Rc 4: In our branch, measurable goals are important.	0.0	0.8	2.5	2.5	15.0	40.0	40.0		
Developmental Culture								5.75 ± 0.79	Very High
Dc 1: Our branch is a very dynamic and entrepreneurial place.	0.0	0.0	0.0	7.5	20.0	20.0	52.5		
Dc 2: People in our branch are willing to take risks.	12.5	5.0	5.0	25.0	22.5	10.0	20.0		
Dc 3: The glue that holds people in our branch together is a commitment to innovation and development.	0.0	0.0	0.0	10.0	32.5	22.5	35.0		
Dc 4: There is an emphasis on being first in our branch.	0.0	0.0	2.5	2.5	25.0	30.0	37.5		
Dc 5: People in our branch emphasize growth and acquiring new resources.	0.0	0.0	0.0	7.5	25.0	30.3	37.5		
Dc 6: In our branch, readiness to meet new challenges is important.	2.5	0.0	0.0	7.5	17.5	35.0	37.5		
Group Culture								5.99± 0.67	Very High
Gc1: Our branch is a very personal place.	0.0	0.0	0.0	0.0	15.0	27.5	57.5		
Gc 2: My branch is like an extended family.	0.0	0.0	2.5	0.0	10.0	27.5	60.0		
Gc 3: People in our branch seem to share a lot of themselves.	2.5	5.0	5.0	15.0	32.5	25.0	15.0		
Gc 4: The glue that holds people in our branch together is loyalty and tradition.	0.0	2.5	0.0	2.5	25.0	22.5	47.5		
Gc 5: In our branch, commitment to this organization is high.	0.0	0.0	2.5	5.0	22.5	40.0	30.0		
Gc 6: My branch emphasizes human resources.	0.0	0.0	0.0	5.0	25.0	35.0	35.0		
Gc7: High cohesion and morale in our branch are important	0.0	2.5	0.0	5.0	12.5	45.0	35.0		

The average mean of the overall organizational culture is 5.89 (17 items). According to the earlier illustrated criterion-referenced definitions (Table 5.5) , the organizational culture of state-owned bank is considered very high on rational culture, development culture, and group culture. However, by analyzing each culture separately, the average mean of the rational culture is 5.96 (3 items), 5.75 (6 items) for development culture, and 5.99 (7 items) for group culture, which is considered very high. By comparing the results of the highest cultural types between private-owned banks' and state-owned bank, the highest mean of the private-owned banks' culture is rational culture (5.75), whereas the highest mean of the state-owned bank is group culture (5.99).

For the rational culture, by analyzing the data of only state-owned bank, 92.5% of the respondents agreed that the glue that holds them together is the emphasis on task and goal accomplishment and that a service orientation in their organization is commonly shared. Eighty-two point five percent of the respondents agreed that people in their organization emphasize competitive actions and achievement, and 95% agreed that measurable goals are important.

For the development culture of the state-owned bank, 92.5% of the respondents agreed that their organization is a dynamic and entrepreneurial place. Fifty-two point five percent of the respondents agreed that people in their organizations are willing to take risks, while 35% disagreed with their willingness to take risks. Ninety-five percent agreed that being first is an emphasis in their organization.

For the group culture, 100% of the respondents agreed that their organization is a very personal place and 97.5% agreed that their organization is like an extended family. Seventy-two point five percent of the respondents agree that people in their organization share a lot of themselves. Ninety-five percent of the respondents agreed that the glue that holds them together is loyalty and tradition. Ninety-two point five percent agreed that, in their organization, commitment is high, and that high cohesion and moral are important. Ninety-five percent agreed that that their organization emphasizes human resources.

The results show that by analyzing state-owned bank only, the organization appears to have a moderate mixture of all three types of culture, while the group culture is the highest among all three types of culture.

Table 5.20 Decentralization

State -owned bank								(n = 40)	
Construct and Observed Variables	1	2	3	% 4	5	6	7	Mean \pm SD	Degree of Agreement*
Decentralization								5.36 \pm 0.88	High
Dcn1: In our branch, we have authority to make all decisions related to our work responsibilities freely.	2.5	7.5	2.5	20.0	25.0	30.0	12.5		
Dcn 2: In our branch, we can make decisions freely and in a timely way to satisfy customers.	2.5	0.0	5.0	7.5	25.0	37.5	22.5		
Dcn 3: In our branch, normally managers are required to wait for head quarter decisions to make any changes to improve procedures.	20.0	30.0	35.0	15.0	0.0	0.0	0.0		
Dcn 4:At our branch, we are authorized to perform our job without being interfered with in our decisions.	7.5	2.5	0.0	20.0	25.0	42.5	2.5		
Dcn 5: At our branch, people receive the necessary information for our efficient decision making.	2.5	2.5	0.0	7.5	10.0	50.0	27.5		

The average mean of the decentralization is 5.36 (5 items). According to the earlier illustrated criterion-referenced definitions (Table 5.5), the decentralization is considered high. For decentralization, by analyzing the data of only state-owned bank, 67.5% of the respondents agreed that, in their organization, they have authority to make all decisions related to their work. Eighty-five percent agreed that they can make decision freely and in a timely way to satisfy customers and that managers are not required to wait for head-quarter decisions to make any changes to improve procedures. Seventy percent agreed that they are authorized to perform their jobs without being interfered with in their decisions and 87.5% agreed that they receive then necessary information for efficient decisions.

5.3 Testing of Research Hypotheses

The author proposed the following research hypotheses in Chapter 3. The statistical results are shown in the table 5.21.

- H1: Goal clarity is positively related to communication performance in Thai commercial banks.
- H2: Intercultural communication competence is positively related to communication performance in Thai commercial banks.
- H3: Organizational culture in Thai commercial banks has a significant relationship with communication performance that varies according to the type of culture.
- H4: Decentralization is positively related to communication performance in Thai commercial banks.

Table 5.21 Relationships of Constructs

(n=284)				
Constructs	Interpersonal Communication	External Communication	Internal Communication	Communication Performance
Goal clarity	0.036 (p=0.273)	0.614 (p=0.000)**	0.690 (p=0.000)**	0.693 (p=0.000)**
Intercultural	0.042 (p=0.238)	0.280 (p=0.000)**	0.299 (p=0.000)**	0.311 (p=0.000)**
Culture	0.002 (p=0.979)	0.618 (p=0.000)**	0.616 (p=0.000)**	0.643 (p=0.000)**
Rational	0.023 (p=0.695)	0.565 (p=0.000)**	0.558 (p=0.000)**	0.587 (p=0.000)**
Development	0.088 (p=0.137)	0.558 (p=0.000)**	0.539 (p=0.007)**	0.594 (0.000)**
Group	-0.069 (p=0.878)	0.548 (p=0.000)**	0.558 (p=0.000)**	0.556 (p=0.000)**
Decentralization	0.123 (p=0.019)*	0.454 (p=0.000)**	0.444 (p=0.000)**	0.492 (p=0.000)**

* $p < 0.05$ (one tailed), ** $p < 0.01$ (one tailed)

H1: Goal clarity is positively related to communication performance in Thai commercial banks.

As shown in table 5.21, H1 is supported by the result of the study, with a statistical significance of 0.01 ($p=0.000$). The relationship is moderate to high (69.3%). The result shows that the higher the goal clarity is, the higher the communication performance of the organization will be.

H2: Intercultural communication competence is positively related to communication performance in Thai commercial banks.

H2 is supported by the result of the study with a statistical significance of 0.01 ($p=0.000$). The relationship is low to moderate (31%). The result shows that higher intercultural communication competence is positively related to higher internal and external communication performance. The result, however, shows that intercultural competence is not associated with interpersonal communication performance.

H3: Organizational culture in Thai commercial banks has a significant relationship with communication performance that varies according to the type of culture.

H3 is also supported by the statistical results. Organizational culture in Thai commercial banks has a significant relationship with communication performance that varies according to the type of culture: rational culture, developmental culture, and group culture.

The results show that rational culture is positively related to external and internal communication performance ($p < 0.01$), but is not related to interpersonal communication performance ($p = 0.695$). Developmental culture and group culture are also positively related to external and internal communication performance ($p < 0.01$), but are not related to interpersonal communication ($p=0.137$ and $p=0.878$).

By looking closely at the relationship of each culture (Table 5.22), it can be seen that rational culture and external communication performance have the highest relationship (56.5%). The next highest relationships are between developmental culture and external communication (55.8%), while group culture is also highly related to internal communication performance (55.8%). Overall, all three types of

culture are positively related to communication performance ($p < 0.01$) at 58.7%, 59.4% and 55.6%, respectively. The results do not only show that each type of culture varies slightly in its association with communication performance, but also with each dimension of communication performance.

Table 5.22 Relationships of Culture by Type to Communication Performance
(n=284)

Culture Type	Interpersonal Communication	External Communication	Internal Communication	Communication Performance
Rational	0.023 (p=0.695)	0.565 (p=0.000)**	0.558 (p=0.000)**	0.587 (p=0.000)**
Development	0.088 (p=0.137)	0.558 (p=0.000)**	0.539 (p=0.007)**	0.594 (0.000)**
Group	-0.069 (p=0.878)	0.548 (p=0.000)**	0.558 (p=0.000)**	0.556 (p=0.000)**

* $p < 0.05$ (one tailed), ** $p < 0.01$ (one tailed)

Spearman's Rank Correlation Coefficient

H4: Decentralization is positively related to communication performance in Thai commercial banks

As shown in table 5.21, H4 is supported by the result of the significant level of 0.01 ($p=0.000$). The relationship level is moderate (49.2%), but still provides a prudent source indicating that decentralization is positively related to communication performance. The result also shows that decentralization is related to internal and external communication performance (44.4% and 45.4%, respectively) more than to interpersonal communication performance (12.3%).

Table 5.23 Summary of Results of Hypothesis Testing

Hypotheses	Relationship	Results
H1:	Goal clarity is positively related to communication performance in Thai commercial banks.	Supported
H2:	Intercultural communication competence is positively related to communication performance in Thai commercial banks.	Supported
H3:	Organizational culture in Thai commercial banks has a significant relationship with communication performance that varies according to the type of culture.	Supported
H4:	Decentralization is positively related to communication performance in Thai commercial banks.	Supported

Now that the relationships are known, next the regression analysis is used to enhance the understanding of these relationships.

5.4 Regression Analysis of Constructs

A correlation coefficient tells researchers if and how strongly variables are related. It does not indicate how much changes in one variable can be explained by changes in the other variable. This statistical procedure, used to make such predictions, is referred to as regression analysis.

Regression analysis includes techniques for modeling and analyzing several variables when the researchers focus on the relationship between dependent variables and one or more independent variable. Further, it helps researchers to understand how the typical value of the dependent variable changes when any one of the independent variables is varied, while other independent variables are held fixed. Regression analysis is widely used for predicting and forecasting and for exploring the forms of relationships. In some restricted circumstances, it can be used to infer casual relationship between the independent and dependent variables.

By using regression analysis, intercultural communication competence (Intercultural CC) was the only construct that did not demonstrate statistical significance in relation to communication performance. The remaining constructs, goal clarity, organizational culture, and decentralization, are statistically significant at $p=0.000$, $p=0.000$ and $=0.036$, respectively (Table 5.24). Table 5.25 also illustrates the relationships among independent variables.

Table 5.24 Regression Analysis of Communication Performance

Constructs	Regression Coefficient	VIF ^b	t ^a	p
Goal clarity	0.305	1.953	8.212	0.000**
Organizational culture	0.308	2.368	6.296	0.000**
Decentralization	0.075	1.664	2.112	0.036*
constant	1.601	-	8.675	0.000**
Adj R ² = 0.613				
Durbin-Watson = 1.871	SSE = 57.159	SSR = 92.133	F = 150.441	p = 0.000**

* $p < 0.05$ (two tailed), ** $p < 0.01$ (two tailed)

Table 5.25 Relationships of Independent Variables

Constructs	Goal clarity	Culture	Intercultural	Decentralization
Goal clarity		0.637 ($p=0.000$)**	0.314 ($p=0.000$)**	0.561 ($p=0.000$)**
Organizational culture			0.533 ($p=0.000$)**	0.605 ($p=0.000$)**
Intercultural CC				0.877 ($p=0.000$)**
Decentralization	0.561 ($p=0.000$)**	0.605 ($p=0.000$)**	0.877 ($p=0.000$)**	

Regression analysis supports the fact these three constructs are positively related to communication performance in the same direction. As shown in table 5.24., when goal clarity increases by 1, the communication performance also increases by 0.305. Likewise, when organizational culture and decentralization increase by 1, the communication performance increases by 0.308 and 0.075 respectively. The statistical results for goal clarity, organizational culture and decentralization are promising in the analysis.

In hierarchical regression analysis, the researchers determine, on the basis of the previous theory or model, the order of the variables entered into the regression equation (Frey, Botton and Kreps, 2002). In stepwise regression, the computer is instructed to enter the predictor variables in various combinations and orders them until the “best” equation is found. By using stepwise regression, the three constructs (goal clarity, organizational culture, and decentralization) have a linear relationship with communication performance at a statistical significance of 0.01. This implies that goal clarity, organizational culture, and decentralization have the ability to explain the communication performance at 61.3%, as shown in table 5.24 (Adjusted R^2).

By analyzing the relationships of all independent variables by each pair, the author also found that goal clarity was positively related to organizational culture and decentralization. Additionally, organizational culture was positively related to decentralization. Although the relationships are moderate at 63.7%, 56.1%, and 60.5% respectively, they are substantial and the findings enhance the understandings of their impact. The level of these relationships did not cause the problem of multicollinearity; therefore, they can be used in the regression analysis to predict communication performance (VIF=1.953 VIF=2.368 and VIF=1.664 respectively). By referring to this analysis, the equation for the communication performance of the studied organizations is:

$$\hat{y} = 1.601 + 0.305 \text{ Goal Clarity} + 0.308 \text{ Culture} + 0.075 \text{ Decentralization}$$

\hat{y} : estimated value of communication performance

Next, the author will illustrate and describe the results for the private-owned banks and state-owned bank separately.

5.5 Statistical Results and Key Factors at Private- and State-Owned Banks

Although the objective of the research is not about comparing the findings between private and state-owned banks' communication performance, the author will present these comparative results in order to enhance understanding how these key factors affect communication performance in the different contexts.

Table 5.26 Comparison of Private-owned Banks' and State-owned Bank' Communication Performance

Communication Performance	n	Private-owned Banks	n	State-owned Banks	t ^a	p
		Mean \pm SD		Mean \pm SD		
Interpersonal						
Communication	244	4.23 \pm 1.00	40	3.98 \pm 0.77	2.329	0.023*
Internal						
Communication	244	5.76 \pm 0.92	40	6.13 \pm 0.68	-2.430	0.016*
External						
Communication	244	5.44 \pm 0.99	40	5.81 \pm 0.84	-2.223	0.027*
Overall	244	5.34 \pm 0.75	40	5.57 \pm 0.56	-1.877	0.062

* $p < 0.05$ (two tailed), ** $p < 0.01$ (two tailed)

A comparison between groups was performed using Hotelling's t-test.

By using Hotelling's t-test, the overall communication performance of private-owned banks and state-owned bank was seen to be not statistically different. However, if we look at each dimension of communication, there are some observable differences. Table 5.26 shows the differences by dimension, interpersonal communication, internal communication, and external communication, at a statistically significant level of 0.05. ($p=0.023$, $p=0.016$, $p=0.027$, respectively). Table 5.26 also shows that state-owned bank's external and internal communication is

statistically higher than that of private's banks. However, private-owned banks' interpersonal communication is statistically higher than that of state-owned bank.

Next the author presents the findings in which only private-owned banks' data are analyzed (Table 5.27).

Table 5.27 Relationships of Constructs – Private-owned Banks Only

Constructs	Interpersonal Communication	External Communication	Internal Communication	Communication Performance
Goal clarity	0.022 (p=0.736)	0.613 (p=0.000)**	0.670 (p=0.000)**	0.672 (p=0.000)**
Intercultural CC	0.010 (p=0.873)	0.332 (p=0.000)**	0.348 (p=0.000)**	0.358 (p=0.000)**
Culture (Overall)	0.022 (p=0.731)	0.617 (p=0.000)**	0.594 (p=0.000)**	0.630 (p=0.000)**
Rational culture	0.041 (p=0.525)	0.584 (p=0.000)**	0.544 (p=0.000)**	0.588 (p=0.000)**
Development culture	0.101 (p=0.114)	0.547 (p=0.000)**	0.522 (p=0.000)**	0.576 (p=0.000)**
Group culture	-0.050 (p=0.441)	0.547 (p=0.000)**	0.534 (p=0.000)**	0.543 (p=0.000)**
Decentralization	0.120 (p=0.062)	0.455 (p=0.000)**	0.447 (p=0.000)**	0.492 (p=0.000)**

* $p < 0.05$ (one tailed), ** $p < 0.01$ (one tailed)

Spearman's Rank Correlation Coefficient (r_s)

As shown in table 5.27, goal clarity, intercultural communication competence, organizational culture (rational, development, and group culture) and decentralization are positively related to communication performance ($p < 0.01$). However, when looking at each dimension of communication performance, all factors are positively related to internal and external communication, but are not statistically related to interpersonal communication.

On internal communication, goal clarity ($r_s = 0.670$, $p=0.000$), intercultural communication competence ($r_s=0.348$, $p=0.000$), rational culture ($r_s=0.544$, $p=0.000$),

development culture ($r_s = 0.522$, $p = 0.000$), group culture ($r_s = 0.534$, $p = 0.000$), and decentralization ($r_s = 0.447$, $p = 0.000$) are positively related to internal communication performance.

On external communication, goal clarity ($r_s = 0.613$, $p = 0.000$), intercultural competence ($r_s = 0.332$, $p = 0.000$), rational culture ($r_s = 0.584$, $p = 0.000$), development culture ($r_s = 0.547$, $p = 0.000$), group culture ($r_s = 0.547$, $p = 0.000$), and decentralization are positively related to external communication performance ($r_s = 0.455$, $p = 0.000$).

Among all the studies factors related to communication performance, the strongest relationships are goal clarity and internal communication, followed by external communication (67% and 61.3%, respectively).

Next, the author presents the statistical finding based on the data of only state-owned bank in the analysis.

Table 5.28 Relationships of Constructs – State-owned Bank Only

Constructs	Interpersonal Communication	External Communication	Internal Communication	Communication Performance
Goal clarity	0.327 ($p = 0.039$)*	0.582 ($p = 0.000$)**	0.747 ($p = 0.000$)**	0.789 ($p = 0.000$)**
Intercultural CC	-0.096 ($p = 0.554$)	0.242 ($p = 0.132$)	0.314 ($p = 0.048$)*	0.245 ($p = 0.127$)
Culture (Overall)	0.027 ($p = 0.868$)	0.580 ($p = 0.000$)**	0.752 ($p = 0.000$)**	0.726 ($p = 0.000$)**
Rational culture	-0.007 ($p = 0.967$)	0.403 ($p = 0.010$)*	0.628 ($p = 0.000$)**	0.557 ($p = 0.000$)**
Development culture	0.143 ($p = 0.380$)	0.602 ($p = 0.000$)**	0.640 ($p = 0.000$)**	0.704 ($p = 0.000$)**
Group culture	-0.025 ($p = 0.878$)	0.480 ($p = 0.002$)**	0.700 ($p = 0.000$)**	0.627 ($p = 0.000$)**
Decentralization	0.187 ($p = 0.249$)	0.421 ($p = 0.007$)**	0.398 ($p = 0.011$)*	0.453 ($p = 0.003$)**

* $p < 0.05$ (one tailed), ** $p < 0.01$ (one tailed)

Spearman's Rank Correlation Coefficient (r_s)

The results are similar to those of private-owned banks' except that the relationship between intercultural communication competence and communication performance is not statistically significant for state-owned bank. Also, for state-owned bank, goal clarity is positively related to interpersonal communication, while it was not statistically related to interpersonal communication for private-owned banks. By looking at the overall communication performance of state-owned bank, goal clarity, organizational culture (rational, development, and group cultures), and decentralization are positively related to communication performance ($p < 0.01$). Intercultural communication competence is not related to communication performance ($p=0.358$ and $p=0.127$).

On internal communication, goal clarity ($r_s = 0.747$, $p=0.000$), intercultural competence ($r_s=0.314$, $p=0.048$), organizational culture ($r_s = 0.628$, $p=0.000$) development culture ($r_s = 0.640$, $p=0.000$) group culture ($r_s=0.700$, $p=0.000$), and decentralization ($r_s=0.398$, $p=0.011$) are positively related to internal communication performance of state-owned bank.

On external communication, goal clarity ($r_s = 0.582$, $p=0.000$), rational culture ($r_s = 0.403$, $p=0.010$), development culture ($r_s = 0.602$, $p=0.000$), group culture ($r_s=0.480$, $p=0.002$), and decentralization ($r_s=0.421$, $p=0.007$) are positively related to external communication performance of state-owned bank. Intercultural communication competence is, however, not related to external communication performance of state-owned bank.

For state-owned bank's internal communication, the strongest relationship is between goal clarity and internal communication (74.4%). Next is organizational culture (75%), especially the group culture is accounted for 70.0% to internal communication. For its external communication, the strongest relationship is goal clarity and organizational culture, especially development culture (60.2%). Goal clarity is also related to interpersonal communication (32.7%).

The author has presented the results of the descriptive statistics and testing of hypotheses. Next the author will present and discuss the statistical findings by bank.

5.6 Statistical Results and Key Factors by Bank

Guilford (1956) proposed the following criteria to be used in interpreting strengths of statistically significant correlation coefficients:

<.20:	Slight, almost negligible relationship
.20 - .40:	Low correlation, definite but small relationship
.40 - .70:	Moderate correlation, substantial relationship
.70 - .90:	High correlation, marked relationship
>. 90:	Very high correlation, very dependable relationship

In interpreting the statistical results of each bank, the author will refer to Guilford's frame of reference.

In order to provide an overview, the interpretations illustrate remarkable resources of how each factor influences communication performance differently. For example, TMB's communication performance represents high or marked positively correlated relationships in almost every factor (above 70%).

For goal clarity, this factor demonstrated high positive relationships in all banks. By ranking according to the strength of correlations, the top three are; TMB Bank (88.3%), Krung Thai Bank (78.9%), and Bangkok Bank (69.3%).

For intercultural communication competence, the correlation is low to substantial, i.e., TMB Bank (58.9%), and Siam Commercial Bank (33.8%). For other banks, there were no significant relationships.

For rational culture, the correlation was low to substantial. By ranking according to the strength of correlations, the top three are: TMB (64.3%), Siam Commercial Bank (59%), and Krung Thai Bank (55.7%). Developmental culture is positively related to the communication performance of all banks except for the Bank of Ayudhya. By ranking according to the strength of correlations, the top four are: TMB Bank (83.8%), Krung Thai Bank (70.4%), Siam Commercial Bank (57.7%), and Kasikorn Bank (46.2%). Group culture is positively related to communication performance for all banks, except in the case of Kasikorn Bank.

Decentralization is strongly and positive related to communication performance for TMB and Siam Commercial Bank, while this correlation was not found in the cases of Bangkok Bank, the Bank of Ayudhya, or Siam City Bank. The author will

interpret the results in the following order: Bangkok Bank PLC, Kasikorn Bank PLC, Bank of Ayudhya PLC, Siam Commercial Bank PLC, Siam City Bank PLC, TMB Bank PLC, and Krung Thai Bank PLC.

Table 5.29 Bangkok Bank

(n=37)

Constructs	Interpersonal Communication	External Communication	Internal Communication	Communication Performance
Goal clarity	-0.182 (p=0.282)	0.687 (p=0.000)**	0.651 (p=0.000)**	0.693 (p=0.000)**
Intercultural CC	0.171 (p=0.312)	0.217 (p=0.198)	0.164 (p=0.333)	0.248 (p=0.138)
Organizational Culture	0.076 (p=0.656)	0.506 (p=0.001)**	0.431 (p=0.008)**	0.493 (p=0.002)**
Rational culture	-0.106 (p=0.532)	0.536 (p=0.001)**	0.488 (p=0.002)**	0.538 (p=0.001)**
Development culture	-0.013 (p=0.939)	0.401 (p=0.014)*	0.342 (p=0.038)*	0.399 (p=0.014)*
Group culture	-0.045 (p=0.791)	0.395 (p=0.016)*	0.286 (p=0.086)	0.349 (p=0.034)*
Decentralization	-0.021 (p=0.903)	0.141 (p=0.407)	0.190 (p=0.259)	0.170 (p=0.314)

* $p < 0.05$ (one tailed), ** $p < 0.01$ (one tailed)

Spearman's Rank Correlation Coefficient (r_s)

All factors are related to communication performance except decentralization and intercultural communication competence. Also, for Bangkok Bank, decentralization is not related to any dimension of communication performance.

For internal communication, goal clarity ($r_s = 0.651$, $p = 0.000$), rational culture ($r_s = 0.488$, $p = 0.002$), and developmental culture ($r_s = 0.342$, $p = 0.038$) are positively related.

For external communication, rational culture ($r_s = 0.536$, $p=0.001$), development culture ($r_s = 0.401$, $p=0.014$), and group culture ($r_s=0.395$, $p=0.016$) are positively related.

Goal clarity is related to internal and external communication substantially (65.1% and 68.7%, respectively). Group culture is positively related to external communication performance, but not to internal communication performance. However, rational and development culture are related to internal and external communication performance.

Table 5.30 Kasikorn Bank

(n=41)

Constructs	Interpersonal Communication	External Communication	Internal Communication	Communication Performance
Goal clarity	0.280 (p=0.076)	0.460 (p=0.002)**	0.560 (p=0.000)**	0.525 (p=0.000)**
Intercultural CC	0.115 (p=0.476)	0.064 (p=0.689)	0.051 (p=0.750)	0.041 (p=0.797)
Organizational Culture	0.222 (p=0.162)	0.405 (p=0.009)*	0.407 (p=0.008)**	0.390 (p=0.012)*
Rational culture	0.273 (p=0.084)	0.400 (p=0.010)**	0.390 (p=0.012)*	0.385 (p=0.013)*
Development culture	0.376 (p=0.015)*	0.437 (p=0.004)**	0.394 (p=0.011)*	0.462 (p=0.002)**
Group culture	-0.022 (p=0.892)	0.283 (p=0.073)	0.339 (p=0.030)*	0.218 (p=0.172)
Decentralization	0.298 (p=0.059)	0.333 (p=0.033)*	0.307 (p=0.051)	0.342 (p=0.029)*

* $p < 0.05$ (one tailed), ** $p < 0.01$ (one tailed)

Spearman's Rank Correlation Coefficient (r_s)

For Kasikorn Bank, all factors are positively related to communication performance except intercultural communication competence when considering the overall communication performance. Developmental culture is positively related to

interpersonal communication performance, which is different from the majority of the banks included in this study.

For internal communication, goal clarity, and development & group cultures are positively related. For external communication, goal clarity, rational & developmental cultures, and decentralization are positively related.

For the strength of relationships among variables, goal clarity and internal communication are strongest (56%). Additionally, developmental culture is more associated with internal and external communication than with rational culture. Group culture and decentralization are not related to internal communication.

Table 5.31 Bank of Ayudhya

(n=38)

Constructs	Interpersonal Communication	External Communication	Internal Communication	Communication Performance
Goal clarity	0.165 (p=0.324)	0.352 (p=0.030)*	0.380 (p=0.019)*	0.461 (p=0.004)**
Intercultural CC	-0.110 (p=0.511)	0.283 (p=0.085)	0.231 (p=0.162)	0.284 (p=0.084)
Organizational Culture	0.135 (p=0.418)	0.328 (p=0.044)*	0.390 (p=0.016)*	0.453 (p=0.004)**
Rational culture	0.046 (p=0.784)	0.364 (p=0.025)*	0.226 (p=0.173)	0.324 (p=0.047)*
Development culture	0.214 (p=0.198)	0.133 (p=0.427)	0.225 (p=0.175)	0.302 (p=0.065)
Group culture	0.047 (p=0.778)	0.439 (p=0.006)**	0.430 (p=0.007)**	0.512 (p=0.001)**
Decentralization	0.196 (p=0.239)	0.045 (p=0.787)	0.070 (p=0.677)	0.090 (p=0.591)

* p < 0.05 (one tailed), ** p < 0.01 (one tailed)

Spearman's Rank Correlation Coefficient (r_s)

For the overall communication performance for Bank of Ayudhya, all factors are positively related to communication performance except intercultural communication and decentralization.

Internal communication is influenced by goal clarity ($r_s = 0.380$, $p = 0.019$) and group culture ($r_s = 0.430$, $p = 0.007$) as shown in the table, where they are positively related.

External communication is influenced by goal clarity ($r_s = 0.352$, $p = 0.030$) and group culture. ($r_s = 0.439$, $p = 0.006$)

Group culture has the strongest relationship to internal and external communication (43.9% and 43%). Developmental culture is not related to any dimension of communication.

Table 5.32 Siam Commercial Bank

(n=51)

Constructs	Interpersonal Communication	External Communication	Internal Communication	Communication Performance
Goal clarity	0.309 ($p = 0.027$)*	0.396 ($p = 0.004$)**	0.485 ($p = 0.000$)**	0.547 ($p = 0.000$)**
Intercultural CC	0.205 ($p = 0.150$)	0.233 ($p = 0.100$)	0.272 ($p = 0.053$)	0.338 ($p = 0.015$)*
Organizational Culture	0.306 ($p = 0.029$)*	0.396 ($p = 0.004$)**	0.485 ($p = 0.000$)**	0.547 ($p = 0.000$)**
Rational culture	0.248 ($p = 0.079$)	0.509 ($p = 0.000$)**	0.483 ($p = 0.000$)**	0.590 ($p = 0.000$)**
Development culture	0.397 ($p = 0.004$)**	0.413 ($p = 0.003$)**	0.466 ($p = 0.001$)**	0.577 ($p = 0.000$)**
Group culture	0.142 ($p = 0.321$)	0.304 ($p = 0.030$)**	0.331 ($p = 0.018$)*	0.378 ($p = 0.006$)**
Decentralization	0.532 ($p = 0.000$)**	0.444 ($p = 0.001$)**	0.462 ($p = 0.001$)**	0.601 ($p = 0.000$)**

* $p < 0.05$ (one tailed), ** $p < 0.01$ (one tailed)

Spearman's Rank Correlation Coefficient (r_s)

For Siam Commercial Bank, all key factors are positively related to communication performance. Unlike others, goal clarity and decentralization are positively related to interpersonal communication. Further, decentralization is positively related to communication performance with substantial strength (60.1%).

All factors are positively related internal and external communication except intercultural communication; and all factors are positively related to interpersonal communication except group culture.

For Siam Commercial Bank, decentralization and interpersonal relationships are the strongest (53.2%), which is substantial, followed by external communication and rational culture (50.9).

Table 5.33 Siam City Bank

(n=30)

Constructs	Interpersonal Communication	External Communication	Internal Communication	Communication Performance
Goal clarity	-0.081 (p=0.672)	0.532 (p=0.003)**	0.749 (p=0.000)**	0.661 (p=0.000)**
Intercultural CC	-0.239 (p=0.203)	0.297 (p=0.111)	0.364 (p=0.048)*	0.215 (p=0.225)
Organizational Culture	-0.099 (p=0.602)	0.492 (p=0.006)**	0.399 (p=0.029)*	0.412 (p=0.024)*
Rational culture	0.163 (p=0.389)	0.369 (p=0.045)*	0.320 (p=0.085)	0.397 (p=0.030)*
Development culture	-0.109 (p=0.565)	0.412 (p=0.024)*	0.397 (p=0.030)*	0.360 (p=0.050)
Group culture	-0.130 (p=0.494)	0.622 (p=0.000)**	0.431 (p=0.017)*	0.496 (p=0.005)**
Decentralization	-0.282 (p=0.131)	0.476 (p=0.008)**	0.385 (p=0.036)*	0.317 (p=0.088)

* $p < 0.05$ (one tailed), ** $p < 0.01$ (one tailed)

Spearman's Rank Correlation Coefficient (r_s)

All factors are positively related to communication performance for Siam City Bank, except intercultural communication, developmental culture and decentralization.

Goal clarity has a marked relationship with internal communication (74.9%), followed by group culture (62.2%). Intercultural communication is however positively related to internal communication. Decentralization is positively related to both external and internal communication at moderate strength (47.6% and 38.5%).

For external communication, group culture has the most substantially positive relationship (62.2%).

Rational culture is positively related to external communication, but not to internal communication.

Table 5.34 TMB Bank

(n=47)

Constructs	Interpersonal Communication	External Communication	Internal Communication	Communication Performance
Goal clarity	-0.069 (p=0.646)	0.840 (p=0.000)**	0.844 (p=0.000)**	0.883 (p=0.000)**
Intercultural CC	-0.015 (p=0.922)	0.585 (p=0.000)**	0.531 (p=0.000)*	0.589 (p=0.000)**
Organizational Culture	0.106 (p=0.480)	0.817 (p=0.000)**	0.829 (p=0.000)*	0.876 (p=0.000)*
Rational culture	0.127 (p=0.395)	0.597 (p=0.000)**	0.589 (p=0.000)**	0.643 (p=0.000)**
Development culture	0.152 (p=0.308)	0.803 (p=0.000)**	0.778 (p=0.000)**	0.838 (p=0.000)**
Group culture	0.067 (p=0.654)	0.804 (p=0.000)**	0.844 (p=0.000)*	0.883 (p=0.000)**
Decentralization	-0.063 (p=0.672)	0.728 (p=0.000)**	0.777 (p=0.000)**	0.789 (p=0.000)**

* $p < 0.05$ (one tailed), ** $p < 0.01$ (one tailed)

Spearman's Rank Correlation Coefficient (r_s)

For TMB Bank, all key factors are positively related to communication performance when considering the overall communication performance.

For internal communication, all factors are positively related with goal clarity and group culture with a marked relationship (84.4%). Decentralization and developmental culture are also positively related with high correlation (77.7% and 77.8%). Intercultural communication competence is also positively related to internal communication (53.1%).

For external communication, all factors are positively related with a high correlation above 70%, except intercultural communication competence (58.5%) and rational culture (59.7%), which are positively related at moderate strength.

Table 5.35 Krung Thai Bank

n 40

Constructs	Interpersonal Communication	External Communication	Internal Communication	Communication Performance
Goal clarity	0.327 (p=0.039)*	0.582 (p=0.000)**	0.747 (p=0.000)**	0.789 (p=0.000)**
Intercultural CC	-0.096 (p=0.554)	0.242 (p=0.132)	0.314 (p=0.048)*	0.245 (p=0.127)
Organizational Culture	0.027 (p=0.868)	0.580 (p=0.000)**	0.752 (p=0.000)**	0.726 (p=0.000)**
Rational culture	-0.007 (p=0.967)	0.403 (p=0.010)*	0.628 (p=0.000)**	0.557 (p=0.000)**
Development culture	0.143 (p=0.380)	0.602 (p=0.000)**	0.640 (p=0.000)**	0.704 (p=0.000)**
Group culture	-0.025 (p=0.878)	0.480 (p=0.002)**	0.700 (p=0.000)**	0.627 (p=0.000)**
Decentralization	0.187 (p=0.249)	0.421 (p=0.007)**	0.398 (p=0.011)*	0.453 (p=0.003)**

For the overall communication performance of Krung Thai Bank, all key factors are positively related, except intercultural communication competence. Goal clarity is highly and positively related to communication performance (78.9%), followed by developmental culture (70.4%)

For Krung Thai Bank, goal clarity is also positively related to interpersonal communication. For external communication, developmental culture is the factor that has the highest correlation, while for internal communication goal clarity contributes the most.

These interpretative results demonstrated how each factor contributes to communication performance differently for each bank. Implications will be discussed in the next chapter. Next the author will summarize the key points of the analyses by bank in table 5.36:

Table 5.36 Key Points Observed

Banks	Status	Size (Number of total Branches in Thailand)*	Type of Culture with highest %	Decentralization is positively related to communication performance	Intercultural Communication Competence is positively related to communication performance
Krung Thai Bank	State-owned	640	Developmental Culture	Yes	No
Bangkok Bank	Private-owned	527	Rational Culture	No	No
Siam Commercial Bank	Private-owned	522	Developmental Culture	Yes	Yes
Kasikorn Bank	Private-owned	496	Developmental Culture	Yes	No
TMB Bank	Private-owned	471	Developmental Culture	Yes	Yes
Bank of Ayudhya	Private-owned	369	Group Culture	No	No
Siam City Bank	Private-owned	317	Group Culture	No	No

*Number of branches in Thailand as of April 2008. (BOT, 2008)

As shown in table 5.36, by considering all branches in Thailand, Krung Thai Bank has the largest number of branches (640), followed by Bangkok Bank (527) and Siam Commercial Bank (522). By comparing the number of branches, these three banks' sizes are considered as large. Kasikorn Bank and TMB are considered medium size.

The Bank of Ayudhya and Siam City Bank are the two banks that have fewer than 400 branches and are considered small in size compared with the other banks.

According to the statistical results presented earlier, most of the large- and medium-size banks demonstrated that developmental culture positively influences communication performance. Bangkok Bank was the only large size bank which had a rational culture instead of a developmental culture positively relating to communication performance.

It is interesting to note that both small-size banks have a group culture as great influence to communication performance, while developmental culture did not demonstrate a significant relationship with communication performance.

Decentralization exhibited an influence over communication performance in all large- and medium-size banks except Bangkok Bank. In addition, decentralization was not related to communication performance in the small-size banks.

For intercultural communication competence, only the results for Siam Commercial Bank and TMB showed a statistically significant correlation with communication performance.

These highlighted analyses, despite their importance, require future qualitative study before making conclusive assumptions. The author has pointed them out for the benefit of future organizational communication research.

CHAPTER 6

CONCLUSION AND IMPLICATIONS

The field of organizational communication began in the middle of the 20th century. Today it is well-established and is recognized academically and strategically in terms of its strong influence on organizational performance and effectiveness. Despite its importance and implications, communication performance is understudied and needs further empirical study. Pandey and Garnette (2006) stated that their study of communication performance was the first large-scale empirical study to directly examine public sector communication performance. With this precedence, private-owned and state-owned banks' communication performance also deserves a focus and deeper understanding.

This study is exploratory in nature, and the academic goal is to contribute to the body of knowledge of communication performance. In this study, the author has investigated further the existing relationships of the independent variables (goal clarity, and organizational culture) with the dependent variable (communication performance) by focusing on the context of Thai commercial banks including both state-owned and private-owned banks. The author has also sought to find out the relationships between the independent variables (intercultural communication competence, and decentralization) and the dependent variable (communication performance) that have not yet been established.

Next the author will offer conclusions related to the objectives of the study.

6.1 Conclusion of the Study

To conclude the study, it is important to review its objectives. The objectives of the research are:

- 6.1.1 To investigate the key factors affecting communication performance.

6.1.2 To establish the relationships of these key factors by testing the exploratory model of communication performance in the context of Thai commercial banks that includes both state-owned and private banks.

6.1.3 To draw implications that advance understanding of the factors affecting communication performance.

The following sections are organized according to the order of objectives.

6.1.1 Key Factors Affecting Communication Performance

The key factors (independent variables), affecting communication performance (dependent variable), investigated in this research are goal clarity, intercultural competence, organizational culture, and decentralization. The findings reveal that goal clarity, intercultural competence, organizational culture, and decentralization are positively related to communication performance ($p < 0.01$). By examining each key factor, the relationships were found to be statistically significant, although they varied according to each dimension of communication performance (i.e. interpersonal communication, external communication, and internal communication). The following section explains and discusses the detailed findings.

6.1.1.1 Goal clarity

The results show that the higher the goal clarity is, the higher the communication performance of the organization will be. The relationship is moderate to high (69.3%). When examining the relationship of goal clarity with each dimension of communication performance, goal clarity was found to be positively related to internal and external communication performance, however, was not related to interpersonal communication performance. This implies that clear goals and objectives in the organizations are helpful for facilitating internal communication (downward/upward/ horizontal) in both state-owned and private-owned banks. In addition, clear goals help people in the organizations to satisfy external customers' needs and to be better in responding to public concerns that may arise.

In the analysis, this finding was different when the author analyzed only the data of state-owned bank. While goal clarity is not associated with interpersonal communication performance in private-owned banks, it is however positively related to the interpersonal communication performance of the state-owned bank. This

implies that in the context of state-owned bank in this study, improving interpersonal communication or the autonomy of exchanging work feedback will provide potentially better communication performance.

6.1.1.2 Intercultural communication competence

Presently, the banking sector is competing in a globalized market, and this factor cannot be ignored. Intercultural communication competence was found to be positively related to communication performance. The relationship was low to moderate (31%). When examining intercultural communication competence with each dimension, the results showed that intercultural communication competence is positively related to internal and external communication performance; however, intercultural communication competence is not associated with interpersonal communication performance. This implies that intercultural communication competence is necessary but it is not the most important factor. For a work environment that is basically not extremely diverse, intercultural communication competence will not be the primary competence needed.

Interestingly, when the author excluded state-owned bank in correlating the relationship between intercultural communication competence and interpersonal communication performance, it turned out that intercultural communication competence was positively related to interpersonal communication performance. In other words, this factor is more significant for private-owned banks' interpersonal communication than that of state-owned bank.

6.1.1.3 Organizational Culture

The finding supports the idea that organizational culture in Thai commercial banks has a significant relationship with communication performance that varies by the type of culture; namely, rational culture, developmental culture, and group culture.

Each type of culture is positively related to communication performance, with the strongest relationship between developmental culture and communication performance (59.4%).

Although each type of culture's relationship to communication performance was not dramatically different, it varied when analyzing each type of culture with each dimension of communication performance. When analyzing each dimension,

rational culture was seen to be positively related to external and internal communication ($p < 0.01$), but was not related to interpersonal communication ($p = 0.695$). Like rational culture, developmental culture and group culture are also positively related to external and internal communication ($p < 0.01$), but are not related to interpersonal communication ($p = 0.137$ and $p = 0.878$). This is consistent with the earlier two factors; goal clarity and intercultural communication competence, which were not associated with interpersonal communication performance. This can be implied that feedback on work performance or exchanging performance discussion (interpersonal communication) is not influenced by any type of organizational culture.

By looking closely at the relationship of each culture, rational culture and external communication performance had the highest relationship (56.5%). The next highest relationships were between developmental culture and external communication performance (55.8%), while group culture was also highly related to internal communication performance (55.8%).

6.1.1.4 Decentralization

As expected, decentralization is positively related to communication performance with a moderate relationship (49.2%). Decentralization is related to internal and external communication performance (44.4% and 45.4%, respectively). It is interesting that among all the key factors, decentralization is the only key factor that influences interpersonal communication in both state-owned and private-owned banks' contexts. Although this relationship is quite low (12.3%), it did tell us that in certain conditions, decentralized decision making could possibly enhance interpersonal communication. The decentralized structure of an organization could possibly enable autonomy for exchanging feedback on work performance. When managers have freedom or feel empowered, they are likely to seek feedback instead of waiting for performance review which might be scheduled only on a quarterly basis. Additionally, decentralization provides a sense of empowerment, and trust. It has been recognized that trust is a foundation for open communication. Communicating strengths and weaknesses or feedback at work requires an attitude of honesty & open communication on the part of both givers and receivers.

6.1.2 Testing The Model of Communication Performance in Thai

Commercial Bank

One of the objectives of this study was to develop further knowledge in the exploratory middle-range theory of communication performance by testing the model in Thai commercial banks. The model was previously used by Pandey and Garnett (2006) in their large-scale empirical research on the public sector.

The results of this study are consistent with Pandey and Garnett's findings (2006) in many ways, although the studied organizations have different profiles and backgrounds. First, goal clarity was supported by internal and external communication, but not by interpersonal communication. Second, the organizational cultures that varied by type of culture and communication performance had substantial support. Pandey and Garnett (2006) included size as a key factor; however, they found that it was not a significant predictor and had little impact on communication performance. Given their recommendations and the process reliability administered for this study, size was set as a control variable in this research.

They also included red tape as an independent variable, which has similar components to the formulized and centralized structures of organization. Red tape did not receive strong statistical support in their study. After reviewing the literature, the author included decentralization instead of red tape for many reasons; decentralization is well accepted by the structural framework literature and researchers.

In addition, the author also included intercultural communication competence as an independent variable. The need to handle customers from other cultures and to compete in the globalized market has become commonplace in many industries, including the banking sector. The organizational ability to develop internal and external stakeholders' relationships in a cross-cultural context is crucial. Thus, the author included intercultural communication competence as a key factor related to communication performance in this study.

6.1.2.1 The model for Interpersonal Communication Performance

The model of Interpersonal Communication was not statistically significant when analyzing both private- and state-owned banks together. However, when only state-owned bank's data were analyzed, goal clarity had a significant association with interpersonal communication. Pandey and Garnett (2006) found this

significant relationship in their public sector study as well. Future study may add different components to the concept of operationalized interpersonal communication when studying private organizations. They also suggested that additional constructs should be explored.

6.1.2.2 The Model of External Communication Performance

The model of external communication performance was statistically significant. The results provided supports for all hypotheses, with goal clarity as the strongest in the correlated relationship (61%), followed by developmental culture (55.7%), rational culture (56.5%), group culture (54.8), decentralization (45.4%), and intercultural communication competence (28%), respectively.

The results of goal clarity and organizational culture are consistent with Pandey and Garnett's (2006) study. They asserted that organizational culture was a significant predictor of external communication. While they found that rational and group cultures had the strongest positive impact on external communication, this study found that development culture had the strongest impact. However, when the author analyzed only state-owned bank, group culture had the strongest impact. This point is consistent with Pandey and Garnett's (2006) study in which they studied the public sector mainly.

6.1.2.3 The Model of Internal Communication Performance

The model of internal communication performance is even more promising. The results provided supports for all hypotheses with goal clarity as the strongest (69.0%). However, when it comes to internal communication, rational culture and group culture came in second place at 55.8% equally. This is different from the results for external communication, where developmental culture came in second place. Decentralization (44.4%) and intercultural communication competence (29.9%) were also found to contribute to internal communication.

6.1.3 Implications that Advance the Understanding of the Factors

Affecting Communication Performance of the Thai Commercial Bank.

Although this study is exploratory in nature, it is derived from a well-developed theoretical framework. The finding provides a framework and established

key factors in communication performance for any researchers interested in examining the relationship of organizational capabilities to performance link.

By observing figure 6.1, it can be seen that that key factors contributing to improving communication performance, in Thai commercial banks, are goal clarity, organization cultures, decentralized structure, and intercultural communication competence, respectively. These relationships have many implications to organizational effectiveness.

Firstly, organization begins by defining its vision, mission, and goals and cascades them through hierarchical functions using communication as the most important means. Goal clarity enhances communication performance unarguably and it should not be taken for granted by leaders at any level of the organization. Locke has (1968) advocated that goal setting and communicating clear goals are a means by which employee motivation and performance can be improved.

Secondly, after goal clarity, the involved authority in the organization designs the culture that facilitates the conditions and environments for organizational members to achieve their set goals. Conrad and Poole (2002) has noted that the cultural strategies of leadership focus on the “transformational” process through which leaders communicate a vision of the organization and use cultural strategies to help employees “frame” everyday events. Although all types of culture are positively related to communication performance, the finding of this study indicated that developmental culture had the strongest impact on higher communication performance. Developmental culture had the proponents of a dynamic workplace, innovation, being pioneers, growth and readiness to meet new challenges. By reviewing the literature involving Thai commercial banks’ external and internal environments and by observing the vision and missions of each commercial bank, it was seen that the developmental culture prevailed as a means of gaining a competitive advantage. For examples:

- 1) Siam Commercial Bank’s (SCB) vision is “To be the Bank of Choice for our Customers, Shareholders, Employee and Community.”

(Source: http://www.scb.co.th/en/abt/abt_sob.shtml, 2010)

- 2) Krung Thai Bank’s (KTB) vision and mission are that “KTB aims to be ‘The Convenience Bank’ for consumers in businesses, government and institutions.

We are dedicated to a leading financial institution of excellent service creating sustainable returns to encourage and support the creation of intellectual capital as well as adherence to principles of good corporate governance.”

(Source: http://www.ktb.co.th/en/about_ktb/vision.jsp, 2010)

3) Kasikornbank’s vision: “Kasikornbank aims to be the strongest, the most innovative and the most proactive Thai financial institution in serving customers.” Kasikornbank, 2010

As exemplified by the desired future of these banks, the traits of developmental culture seem to be the primary focus in helping them to achieve not only communication performance (internal and external) but also overall organizational performance.

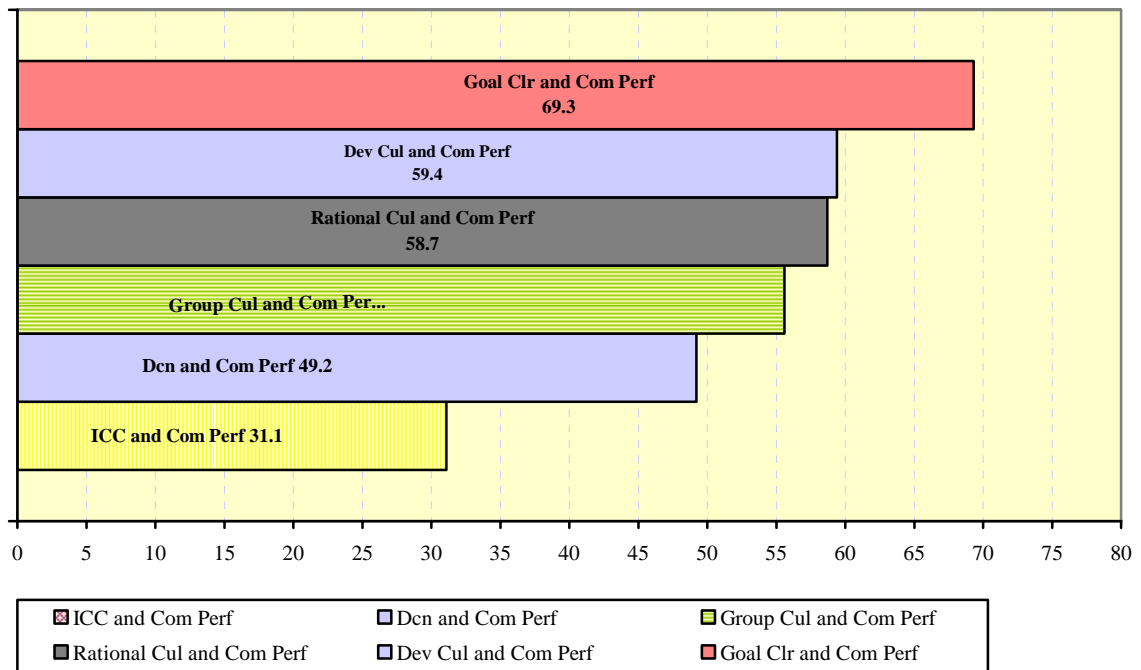
However, by looking at Figure 6.2 in which communication performance is dimensionalized, it can be seen that rational culture has the highest impact on external communication performance. The rational culture’s components imply greater control in a sense, such as task accomplishment, winning customers with high service quality and measurable goals. The component of rational culture in term of being customer-service oriented explains its strong relationship with external communication.

The varied results of the three types of cultures in relation to communication performance are understandable considering the size of the studied commercial banks in this research. As Conrad and Poole (2002) have noted, the larger the organizations’ size and units, the more difficult it is to manage culture. Conrad and Poole (2002) also mentioned that successful cultural strategies depend on understanding how all of the employees perceive and respond to their organizational culture and to the efforts to manage it. Although strong culture is known to benefit an organization’s effectiveness, flexible and adaptable culture have received strong support from culture scholars in that it facilitates effective change management in organizations.

Third, after a clear vision and goals, an organization arranges the structure its structure that facilitates proper work flow and communication, as well enabling work teams and units to efficiently interact with each other. Theories explaining decentralization posit a process whereby decentralization allows employees to make use of information that managers might lack (Miller and Monge, 1986). With the movement of decision making downward, information flow improves (Clark and

Fujitmoto, 1991; Van de Ven, 1980). This finding implies that decentralization benefits communication performance in all dimensions (external, internal, and interpersonal). Conceptually, decentralization is the characteristic of the entire organization or units, while empowerment is more interpersonal. Despite this conceptual distinction, decentralization does lead to the motivational state of empowerment. In fact, empowerment is a modern term, but people will actually exercise it when the organizational structure provides the proper condition to. Undoubtedly, decentralization enhances communication performance, in both state-owned and private-owned banks' contexts as it provides the structures and conditions for "360 degree" communication flow (upward, downward, and horizontal).

Intercultural communication competence had the least impact among all key factors, given that the Thai commercial banks' environment is known to be less diverse than foreign banks. The long years of services of organizational members, in organizations like those of banks, possibly deepened their individual understanding or behavior and work styles, where the workers do not feel such competence would make a big difference. However, in both state-owned and private-owned banks' contexts, this competence should not be underestimated in the near future and deserves further study for the fact that different generations are known to have different values, work styles, and preferred communication means and channels. All industries are facing the challenge of how to tailor "smart approaches" to manage, motivate, and communicate to each generation (i.e. baby boomers, Gen-X, Gen-Y, and the coming so-called Z-generation) to drive their effectiveness. For example, Gen-Y is keen to communicate using technology and on-line tools, as well as to hand multiple tasks simultaneously, while the baby boomers and Gen-X prefer alternative means and styles. Further, multinational mergers and acquisitions will sooner or later call upon the intercultural communication competence.



* Com Perf: Communication Performance

Group Cul: Group Culture

ICC: Intercultural Communication Performance

Rational Cul: Rational Culture

Dcn: Decentralization

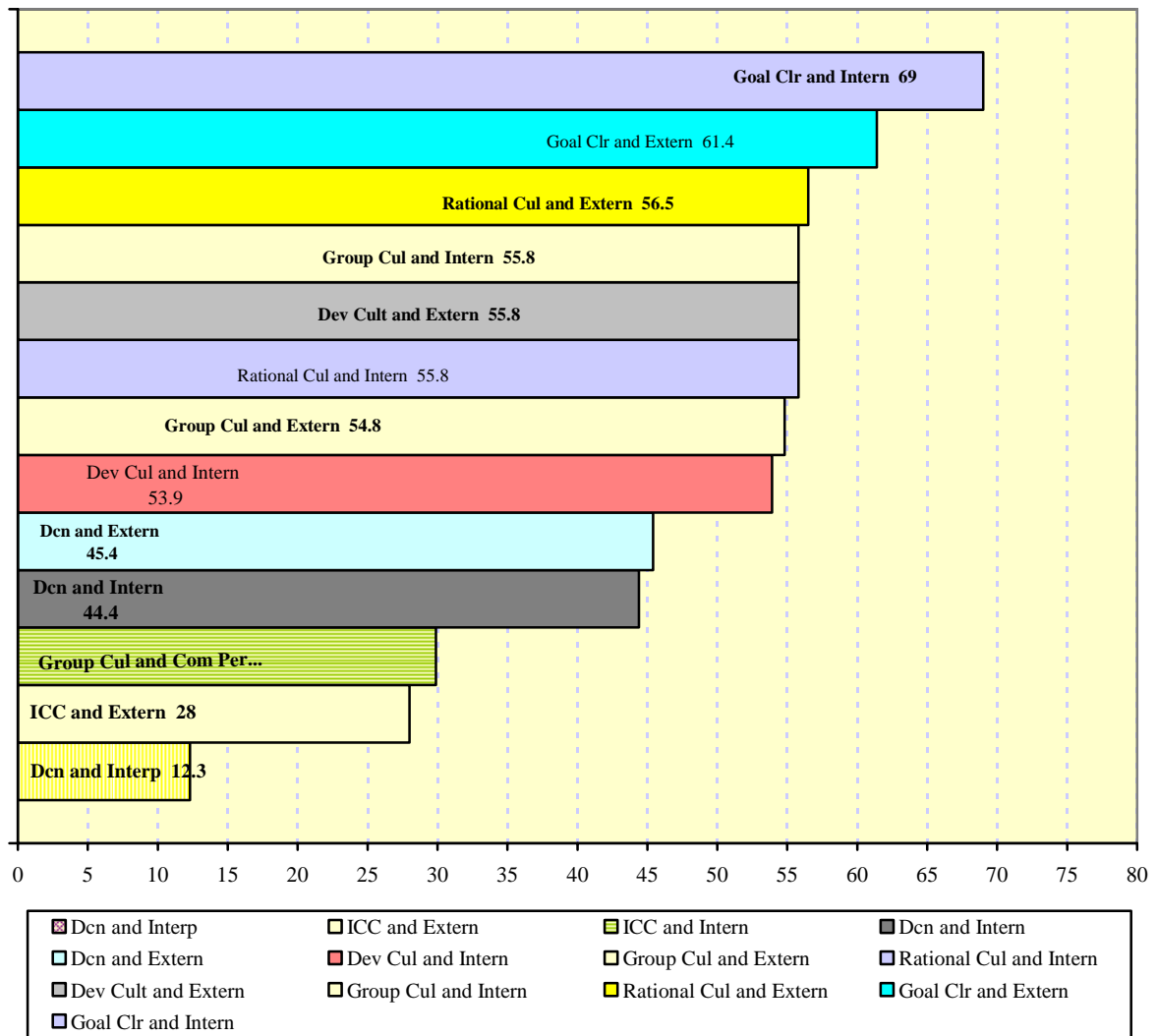
Dev Cul: Developmental Culture

Goal Clr: Goal Clarity

Figure 6.1 The Relationships of Key Factors to Communication Performance: ranked according to the level of strength of relationships (State-owned Bank and Private Banks)

Figure 6.1. presents conclusion on each key factor's relationship to communication performance by ranking them from strongest to the lowest:

- 1) Goal Clarity and Communication Performance: 69.3%
- 2) Developmental Culture and Communication Performance: 59.4%
- 3) Rational Culture and Communication Performance: 58.7%
- 4) Group Culture and Communication Performance: 55.6%
- 5) Decentralization and Communication Performance: 49.2%
- 6) Intercultural Communication Competence and Communication Performance: 31.1%



* Com Perf: Communication Performance

Group Cul: Group Culture

ICC: Intercultural Communication Performance

Rational Cul: Rational Culture

Dcn: Decentralization

Dev Cul: Developmental Culture Com:

Extern: External Communication

Intern: Internal Communication

Figure 6.2 The Relationships of Key Factors to Communication Performance by Each Dimension: ranked according to level of strength of relationships (State-owned and Private-owned banks)

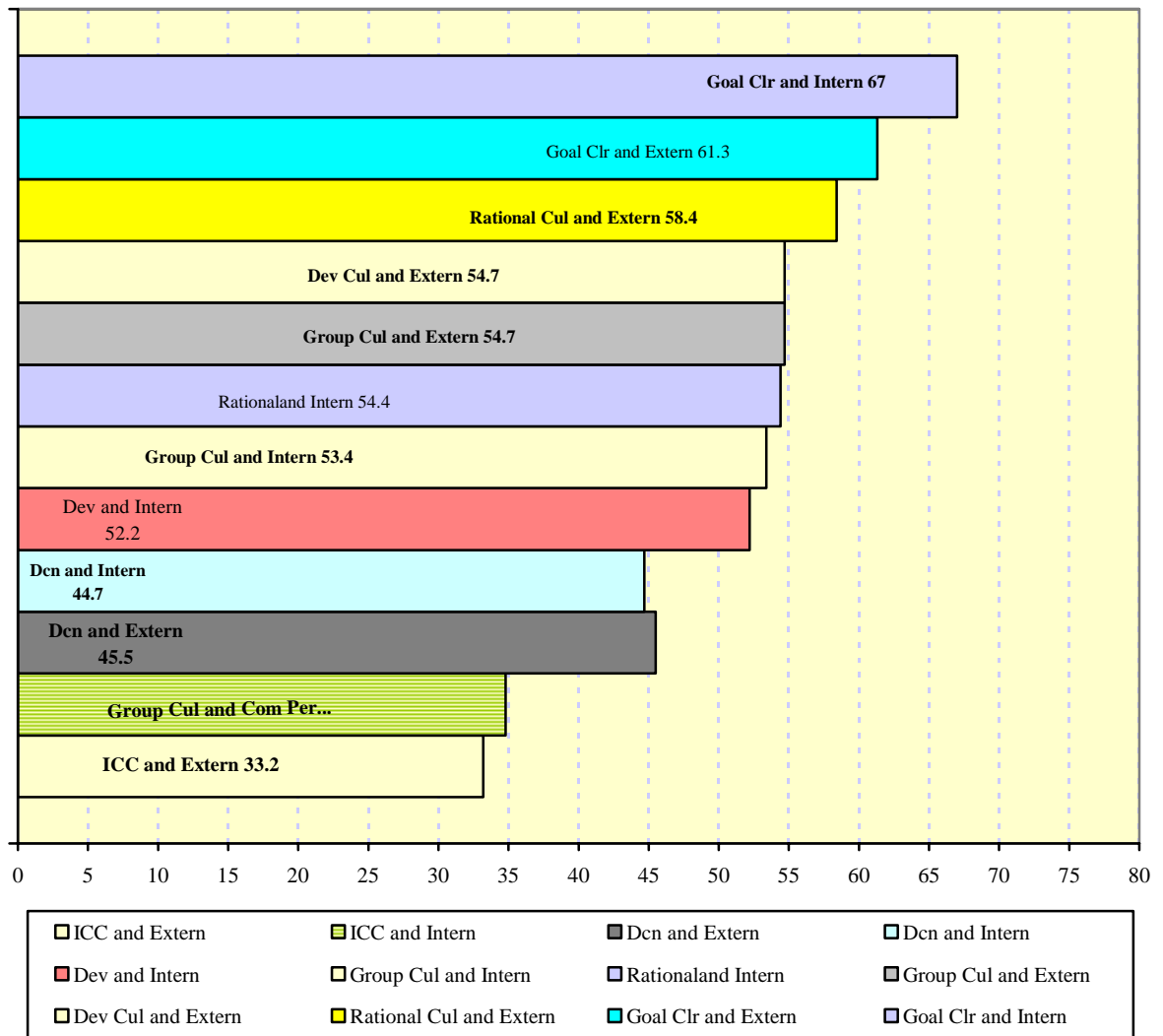
Figure 6.2 presents each key factor's relationship to communication performance by each dimension by ranking them from strongest to lowest:

- 1) Goal clarity and internal communication: 69%
- 2) Goal clarity and external communication: 61.4%
- 3) Rational culture and internal communication: 55.8%
- 4) Group culture and internal communication: 55.8%
- 5) Developmental culture and external communication: 55.8%
- 6) Rational culture and external communication: 56.5%
- 7) Group culture and external communication: 54.8%
- 8) Developmental culture and internal communication: 53.9%
- 9) Decentralization and external communication: 45.4%
- 10) Decentralization and internal communication: 44.4%
- 11) Intercultural communication competence and internal communication: 29.9%
- 12) Intercultural communication competence and external communication: 28%
- 13) Decentralization and interpersonal communication: 12.3%

6.1.1.1 Comparisons of Private-owned and State-owned Banks

The above discussion included the data of both private-owned and state-owned banks in discussing implications. As shown in the previous chapter, when analyzing the overall communication performance and statistically comparing the data of the private-owned banks' and state-owned bank' communication performance, there was no significant difference. However, when observing closely the strengths of the relationships of each factor to each dimension of communication performance, there were interesting differences and that are useful to discuss. Therefore, the following discussion will specifically contribute to a discussion of these differences.

As shown in figure 6.3 and 6.4, for both private-owned banks and state-owned bank, the strongest relationships are between goal clarity and internal communication. This implies that regardless of the private-owned or state-owned bank's context of organizations, goal clarity consistently contributes to higher communication performance. Goal setting theory supported how goal clarity affects formal job performance. Goal setting was first advocated by Locke (1968) as a means to motivate employees to improve performance. Rainey (2003) advocates that fostering goal clarity is a key prescription for enhancing the effectiveness of public organizations.



* Com Perf: Communication Performance

Group Cul: Group Culture

ICC: Intercultural Communication Performance

Rational Cul: Rational Culture

Dcn: Decentralization

Dev Cul: Developmental Culture

Goal Clr: Goal Clarity

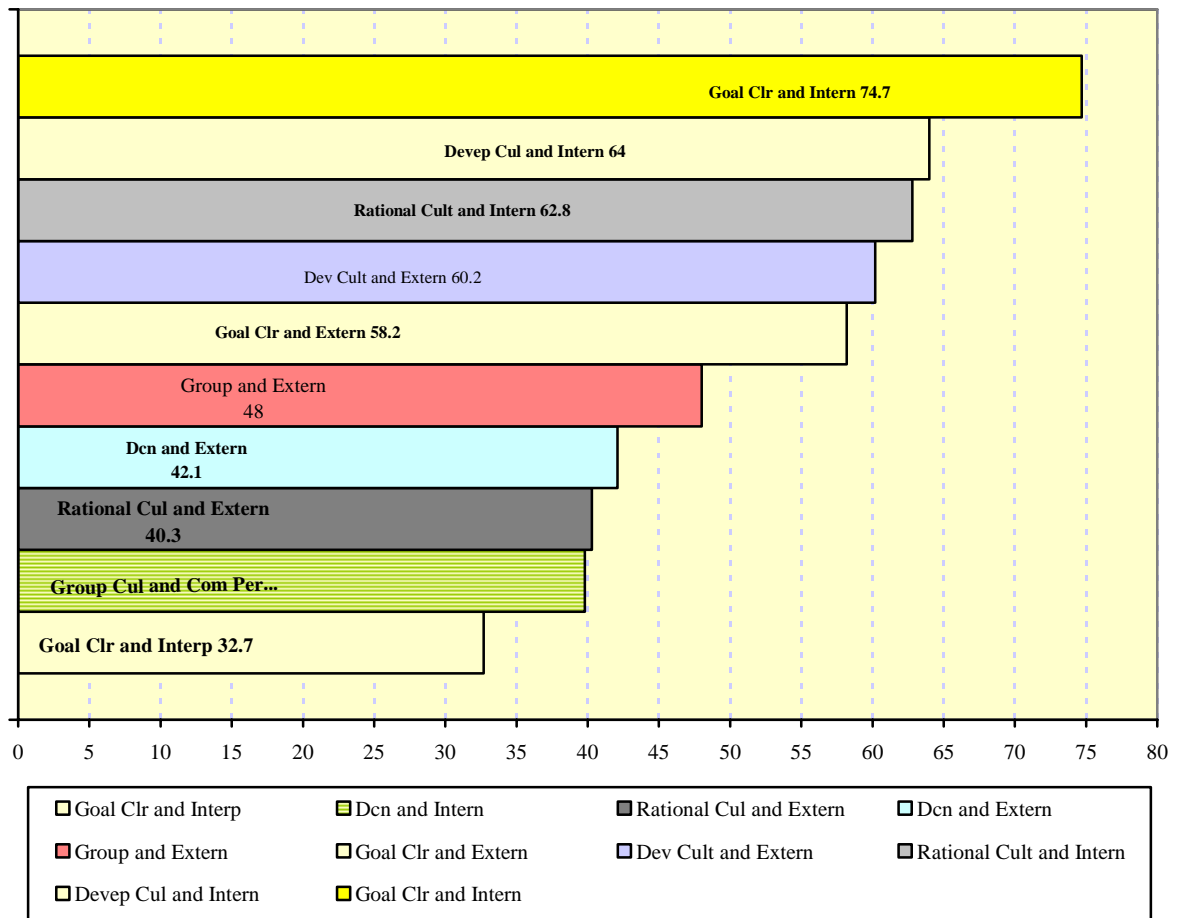
Extern: External Communication

Intern: Internal Communication

Figure 6.3 The Relationships of Key Factors to Communication Performance by Each Dimension: ranked according to the level of strength of relationships(Private-owned banks)

Figure 6.3 presents each key factor's relationship to communication performance of private-owned banks by each dimension and by ranking them from the strongest relationship to the lowest:

- 1) Goal clarity and internal communication: 67%
- 2) Goal clarity and external communication: 61.3%
- 3) Rational culture and external communication: 58.4%
- 4) Developmental culture and external communication: 54.7%
- 5) Group culture and external communication: 54.7%
- 6) Rational culture and internal communication: 54.4%
- 7) Developmental culture and internal communication: 53.4%
- 8) Developmental culture and internal communication: 52.2%
- 9) Decentralization and external communication: 45.5%
- 10) Decentralization and internal communication: 44.7%
- 11) Intercultural communication competence and internal communication: 34.8%
- 12) Intercultural communication competence and external communication: 33.2%



* Com Perf: Communication Performance

Group Cul: Group Culture

ICC: Intercultural Communication Performance

Rational Cul: Rational Culture

Dcn: Decentralization

Dev Cul: Developmental Culture

Goal Clr: Goal Clarity

Extern: External Communication

Intern: Internal Communication

Interp: Interpersonal Communication

Figure 6.4 The Relationships of Key Factors to Communication Performance by Each Dimension: ranked according to the level of strength of relationships (State-owned Bank)

Figure 6.4 presents each key factor's relationship to communication performance of state-owned banks by each dimension and by ranking them from the strongest relationship to the lowest:

- 1) Goal clarity and internal communication: 74.7%
- 2) Group culture and internal communication: 70.0%
- 3) Developmental culture and internal communication 64%
- 4) Rational culture and internal communication 63.8%
- 5) Developmental culture and external communication: 60.2%
- 6) Goal clarity and external communication: 58.2%
- 7) Group culture and external communication: 48%
- 8) Decentralization and external communication: 42.1%
- 9) Rational culture and external communication: 40.3%
- 10) Decentralization and internal communication: 39.8%
- 11) Goal clarity and interpersonal communication: 32.7%.

Regarding internal communication, the factors contributing the most to private-owned banks' internal communication are goal clarity and rational culture, while for state-owned bank, they are goal clarity and group culture. Internal communication includes downward, upward, and lateral communication flow of communication. While rational culture facilitates communication flows in the private-owned banks, for the state-owned bank, group culture is more relevant. Rational culture concentrates on competitive actions and achievements, while group culture concentrates on loyalty, cohesion, and extended family. Although state-owned bank have been developing and modernizing their organizational process to be competitive with private-owned banks, group culture may still be prevalent.

Further, regarding external communication, the factors contributing the most to private-owned banks are first goal clarity, followed by rational culture. However, they are first developmental culture and followed by goal clarity for state-owned bank. Developmental culture refers to growth, innovation, and development. While clear goals and mission are important to both private-owned and state-owned banks' contexts, state-owned bank seems to highlight the importance of readiness to meet new challenges and to acquire new resources in order to meet external customers' demands.

Furthermore, intercultural communication competence is positively related to external and internal communication for private-owned banks while it is neither

related to internal nor external communication of state-owned banks. This implied that the competence is not currently a concern in the context of state-owned bank while the environment of the private-owned banks requires such competence.

Also, while goal clarity is not related to interpersonal communication for private-owned banks, it is positively related to interpersonal communication for state-owned banks. Interpersonal communication refers to the feedback that individuals received in carrying out their job responsibilities. In the context of state-owned bank, this implies that clear goals and mission can encourage a feedback dynamic in the organization. Contributions to the state-owned organization will be further discussed in the practical contributions.

6.2 Contributions of the Study

This study contributes to the body of knowledge on communication performance, both theoretically and practically. The author will first discuss the theoretical contributions, and then the practical contributions.

6.2.1 Theoretical Contributions

The findings of this study, as also supported by related studies, explain that, for the context of Thai commercial banks, goal clarity is the key determinant to communication performance. Developmental culture and rational cultures also influence higher communication performance.

6.2.1.1 Equivocality and Uncertainty Reduction

The findings in this study support the principle of equivocality and uncertainty reduction. Karl Weick's Theory of Organizing has had a profound impact on organizational theory in the area of organizational communication (Miller, 1999). In Weick's model, the main goal of organizing is the reduction of equivocality in the information environment. Equivocality is the unpredictability that is inherent in the information environment of an organization.

Weick's theory states that the information environment of an organization does not exist "out there" in an objective manner. Rather, individuals create the environment that confronts them through the process of enactment. Rooted

in the system approach, the notion of environment and permeability is critical to the theory.

In this study, goal clarity, organizational cultures, decentralization, and intercultural competence are positively related to communication performance. In other words, when these factors are encouraged, the higher the communication performance will be. The relationships found in this research validate the idea that communication performance is not a one short affair either a complex or complex-free environment, and it requires well-managed internal processes and environments to reduce uncertainty and as a consequence, can result in high communication performance.

6.2.1.2 Contingency Theory

Contingency theory states that the “relationships among organizational characteristics, especially the relationships among structure, size, technology, and environment, are contingent or dependent upon the situation or context (Hodge et al., 1996). Contingency theory is concerned with designing effective organization. The model provides a flexible entity for organization design and structure that rejects the one-best-way model. It also guides the relationships among work process, external environment, organizational size, organizational structure and, goals of the organization.

This study examined context of Thai commercial banks which is quite unique. By referring to Mitzberg’s (1981) five types of organizational configuration, it can be seen that the Thai commercial banks’ structure conforms with the fourth type of an organization’s configuration, i.e. the divisionalized configuration.

The divisionalized configuration can be explained as (Mitzberg, 1981) high in specialization, high in standardization, high in formulation, low in centralization and as a regulated technical system. Additionally, the configuration is normally surrounded by a diversified environment. This study embodied Mitzberg’s argument in the sense that centralization should be limited for divisions, and line control should be low, as shown in the study that decentralization is positively related to communication performance in all dimensions. In order for an organization to be effective, the right figure at the right time brings the right success.

6.2.1.3 Organizational Cultures and Intercultural Communication

Competence

In particular, “corporate” or “organizational culture” has been used to explain the economic success of Japanese over American firms through the development of a highly committed workforce with a set of core values, beliefs, and assumptions (Denison, 1984; Lim, 1995). This injects great interest academically and practically in studying organizational cultures’ effects on performance.

According to the intercultural competence principle, cultures influence communication, and communication influences cultures. Cultures are preserved through generations by means of communication, and communication styles are shaped by the culture surrounding it. Intercultural communication competence disciplines discourage ethnocentrism, which means “my culture is better than the others”. While intercultural communication competence was found to be statistically significant in this study, the strength of the relationship was low to moderate. It seems that this aspect of competence is not a priority in improving communication performance. While further qualitative study is needed to understand the background, it could be concluded from this study that ethnocentrism, at the conscious level, is not an issue or is manifested in the organizations chosen for this study.

There have been different studies using longitudinal and cross-sectional data including the prominent work of Hofstede (1980). Hofstede’s (1980) study identified four different work values of different nationalities, and the Thai culture was ranked as high in collectivism, uncertainty avoidance, power distance, and femininity as a result.

Collectivism* and femininity**, from the behavioral perspectives, have the same quality as a group culture’s quality. However, developmental culture and rational culture were found to be higher in the relationship with communication performance according to the findings of Thai commercial banks. This can be also inferred from the fact that in Thai commercial banks, group culture is not a dominant culture, while developmental & rational culture are. It is however important to note that when the author analyzed the data of state-owned bank purely, group culture was dominant in its relationship with communication performance.

The premise of power distance*** is that the power in institutions is distributed unequally and Thailand is ranked high in this behavior. However, in this study, decentralized decision-making was assessed to be associated with higher communication performance. This implies that organizations' members seek to empower and be empowered or encourage participative decision-making rather than letting one orientation dominate the decision. From a cultural perspective, the finding unexpectedly pointed out that the Thai commercial banks' context has a tendency to prefer low power distance or decentralized decision making when it comes to performance issues.

Organizations oriented toward high power distance indirectly discourage assertive attitudes and communication; this is likely to lead to passive & ineffective communication. For example, if a person that has asserted his ideas is not listened to, he or she will likely keep silent in the future. This explanation implies that low power distance, like the decentralization found in this study, is rather positively related to communication performance.

Further, high uncertainty avoidance***** as a character of the Thai culture according Hofstede's outline, is consistent with this research's finding. It was clearly shown that goal clarity has the strongest relationship with communication performance which implying that organizations' members prefer clarity over ambiguity.

Note:

***Collectivism, as opposed to individualism**, places emphasis on the views, needs , and goals of the groups rather than one's self. It is known as being "we-conscious". Individualism is characterized by competition over cooperation, being "I-conscious", and personal goals taking precedence over group goals.

****Femininity, as contrasted with masculinity**, means a trait that emphasizes caring, nurturing behavior, and interdependence. Masculinity is however associated with ambition, achievement, and being assertive.

*****High uncertain avoidance**, as opposed to low certainty avoidance, means the tendency to avoid ambiguity and the need to have established truths or formal rules to provide a sense of stability.

******High power distance**, as opposed to low power distance, is characterized by inequality in the social hierarchy or institutions. Lower power distance indicates that everyone should have access to power and decentralized decision-making is encouraged.

6.2.1.4 Middle Range Theory of Communication Performance

This study is consistent with the study of Pandey and Garnett (2006) in that it did not find strong statistical support for interpersonal communication. Interpersonal communication performance was operationalized as the degree to which people receive useful evaluations on their strengths and weaknesses at work and that they receive performance feedback regularly. Activities reside in the process of performance appraisal. As noted by Mello (2006), in the strategic management of human resources, performance appraisal involves hierarchical, downward communication from supervisor to subordinate concerning the value the supervisor places on the subordinate's performance. The items within the interpersonal communication construct such as the degree to which the respondents receive useful evaluations and the degree to which they hear about their performance may be included under internal communication.

Further, as summarized by Baker (2002), interpersonal communication is included at the micro level while group and organizational communication are included at the meso level. As the level of the analysis in this study is the organization, the concept of interpersonal communication may not be as large enough to be assessed at the organizational level. In practice, people in organizations today receive feedback on their performance by various means rather than only from their own supervisors interpersonally. For example, technology has made it easy to communicate about daily performance issues on-line without having to meet interpersonally.

In addition, it would be good idea to study the model using internal communication as an antecedent of external communication performance, as shown in figure 6.5. As supported by literature, when internal customers are satisfied, they are likely to satisfy external customers. Job satisfactions has been strongly supported to be a great contributor to customer satisfaction, especially in the service industry.

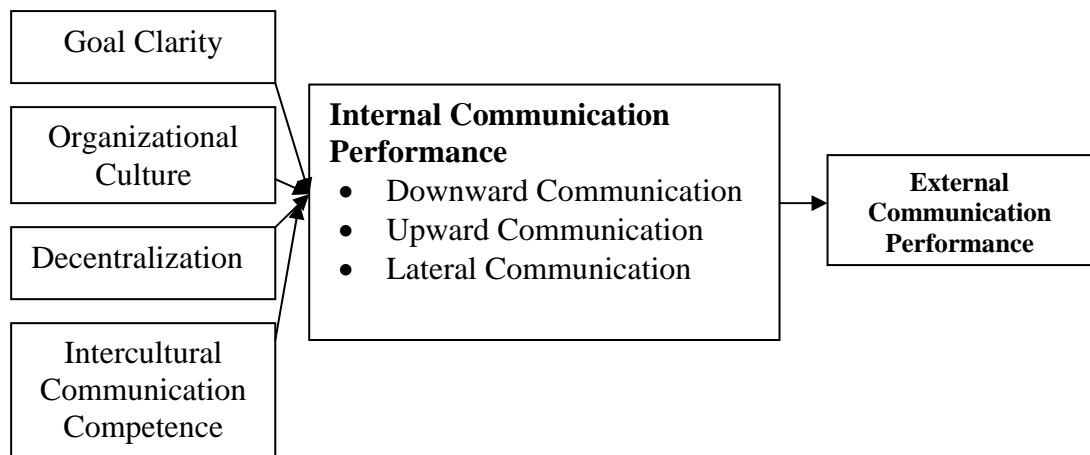


Figure 6.5 Revisiting the Model of Communication Performance

6.2.2 Practical Contributions

The findings have practical contributions for public organizations, organization development, customer satisfaction, leadership development, and for creating employees' capability in many ways.

6.2.2.1 Contributions to Public Organizations

As discussed in the implications for private-owned and state-owned banks earlier, the major differences of private-owned and state-owned banks are the culture types that influence internal communication and external communication performance. While rational culture influences both the internal and external communication of private-owned banks, for state-owned bank, group culture influences internal communication and developmental culture influences external communication. In order to enhance internal communication performance, leaders in public organizations in a context similar to that of the state-owned bank in this study may be able to see the trend that group culture is a key. In this way, leaders can design effective motivational tools and rewards related to group culture, such as job security, moral recognition, group activities, etc.

The different aspects in looking at group culture are to assess if this is the desired culture of the organization. Tom Peter and Robert Waterman are some of the well-known authors that have supported the idea that that excellent firms, with long periods of productivity, profitability and stability, differ from non-excellent firms in terms of the strengths of their desired culture. Conrad and Poole (2002) have noted

that cultures are communicative creations. They emerge and are sustained by the communicative actors of all employees, not merely by the conscious persuasive tools of upper management. Having observed that internal communication can be influenced by group culture, leaders in public organizations may need to assess if the existing culture provides a competitive advantage for overall organizational performance.

Goal clarity has received strong statistical support across private-owned and state-owned organizations in this study. Euske (2003) studied both the differences and similarities of public and private organizations and highlighted the idea that public organizations' goals are shifting and conflicting while they are clear and agreed upon for private organizations. Miller (1999) found that a wide-ranging program of research has investigated the efficacy of goal setting and suggested three concepts concerning goal setting: 1) goal specificity; 2) goal difficulty, and 3) participation in goal setting.

Regarding goal specificity, goals should be specified clearly instead of being communicated in broad terms, which may result in different interpretations. Specification of the time frame is also necessary. Presumably, more specific goals make it easier for employees to understand and accept and provide more tangible methods for goal attainment (Miller, 1999). On goal difficulty, the best goals are those that are difficult, but possible. On participation in goal setting, Miller (1999) reviewed a number of studies and found that goals that can be participated in tend to be more difficult and therefore motivate higher performance than those that are assigned. In summary, effective goals should be specific, measurable, attainable, and time-bound.

Public organizations with similar contexts to that of the state-owned bank in this study may consider applying this integrated finding and knowledge to enhancement of performance that is not limited to communication performance but that includes employees' work performance.

6.2.2.2 Organizational Development

The literature and supported findings reveal that effective organizational communication enhances organizational effectiveness and performance. Understanding the stimulus of communication performance and its importance will help organizations to run smoothly with alignment of values and day-to-day actions.

The study and findings provide guidance for strategic organizational communication practitioners. Communication, like other strategies in the management disciplines, requires the analysis of organizational strengths, weaknesses, threats and opportunities, and then planning, executing, measuring, and developing. Additionally, organizations have to monitor closely the dynamic environment and adapt to it in order to achieve a long-term fit rather than a short term one. It is important to take all of the key factors of communication performance and their proper conditions into account in order to design a fit strategy and a process that leads to alignment.

The banking sector, for both state-owned and private-owned banks, has been putting effort into building trust with internal and external stakeholders. Trust is however accumulated through the interactions and communications between organizations' representatives and stakeholders. Communication competence contributes to increasing trust. It could take decades to build trust, but it might take just one minute's encounter to destroy it.

The interrelationship knowledge derived from this study also reinforces the idea that communication is an organization's great resource.

6.2.2.3 Communication Performance Development and Improvement

It was shown in the previous chapter that rational culture and developmental culture are the types of cultures that statistically contribute the most to higher external communication performance (56.5% and 55.8% respectively). External communication performance is operationalized as the degree to which the organization can provide services to the public, and provide high-quality public service as well as reduce criticism from citizens and clients. Rational culture involves achievement, measurable goals, and customer-oriented services. Developmental culture involves dynamic, entrepreneurial place, commitment to innovation, growth and acquiring new resources. Based on the findings, external communication is driven by organizational cultures that emphasize the attributes of rational and developmental cultures. Measurable goals and advanced technology would increase the commitment of employees to raising the communication performance bar.

Higher internal communication performance is, however, strongly influenced by group culture (55.8%), which involves sharing, cohesion, and moral. This implies that promoting these attributes within the organization is likely to

encourage the free flow of internal communication (downward, upward, and horizontal).

6.2.2.4 Customer Satisfaction

It costs five or six times more to attract a new customer than to keep an existing one. Building partnerships with customers has become a trend. The partnership arrangement becomes simpler when both parties understand each other's systems and needs. Developing a partnership involves setting expectations and objectives as with other relationships. Overpromised communication and under-delivered practices bring about customer dissatisfaction. Customer feedback that reaches attention of proper decision makers quickly requires the autonomy of a decentralized structure and the free flow of communication. Intercultural communication competence also helps front-line employees to gauge the different needs and styles of customers and demonstrates listening and empathy when service recovery is called for.

6.2.2.5 Leadership Development

Managing communications, interpersonally, internally, and externally is a major and important responsibility of leaders in organizations. In 2005, the American Management Association conducted a global survey concerning which leadership competencies would be needed for the next 10 years. The results showed that strategic thinking was ranked as the most important skill, and communication competence came in as the 2nd most important skill. Peter Drucker always emphasizes communication as the key to reaching people especially, when leaders move higher in the organization's hierarchy.

The findings of this study turned the spotlight on goal clarity, innovation (developmental culture), and decentralization structure to the leaders' attention. A typical organizational approach is for leaders to have participative goal setting, then, to make decisions and communicate those goals to the people that will be responsible for achieving them. This study shows that to be successful, those goals must be placed in context. Leaders should provide a context that aids clarity, future-oriented, and highlight new opportunities. A decentralization structure tells leaders to create engagement or involvement in order to result in 1) employees taking ownership in cultivating the mission and goals, and 2) having committed employees to achieve the

goals. Often the best way to improve the work process is to involve the people participating in the work in decision-making.

The literature presents different types of leadership, such as the authoritative leader, the participative leader, the visionary leader, the systematic leader etc. Developmental culture portrays the inspirational and visionary leadership style. The findings indicate that developmental culture has the largest impact on communication performance and thus, in the context of Thai commercial banks, the inspirational and visionary leader is likely to influence better communication performance.

Regarding self-development, leaders shall improve their inspirational communication skills. For team development, leaders can grow the teams fast by first gluing the teams and capitalizing on the differences among them. For organizational development, leaders shall take all of the key factors (i.e. goal clarity, culture, intercultural competence, and decentralization) into consideration seriously.

6.2.2.6 Building Employees' Capabilities

Effective communication has two aspects: it is about connecting and creating accurate understanding; and it is about creating long-term and interdependent relationships in the workplace. Acquiring such competence is simply not born, but can be brushed up on and developed. While training is known to be a key to increasing the knowledge and skills of employees, there has not been enough evidence that training can turn to accomplishments without a process of internal communication, proper structure for communication and motivation, and a tailored approach to the inherent capability of each employee. Figure 6.5 illustrates the external and internal communication and structural factors that contribute to accomplishment (American Society of Training and Development – ASTD, 2008). The model highlights the internal environment; i.e. the importance of the clarity of goals and expectations, performance feedback through coaching and reinforcement, and access to information as prerequisites to accomplishment. Obviously, communication bridges expectations and true achievements.

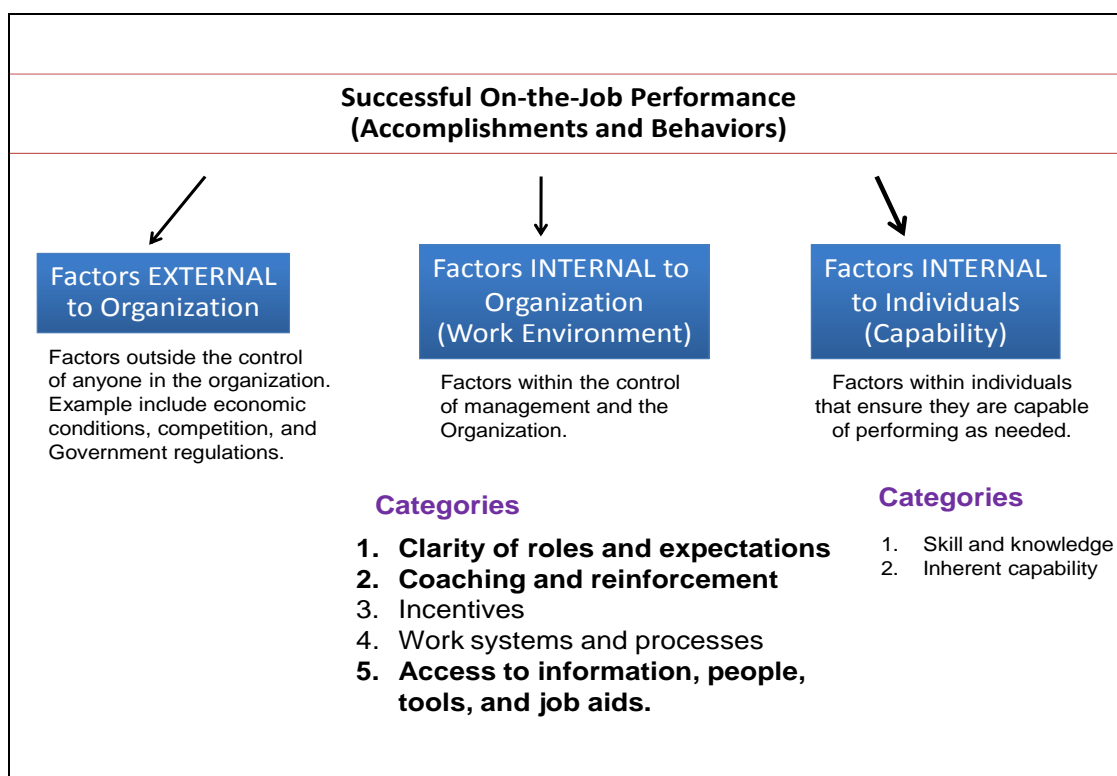


Figure 6.6 Building Employees' Capability

Source: Adapted from Partner in Change© in ASTD Handbook for Workplace Learning Professionals, 2008.

Human Resource Development professionals will need to take these factors into consideration to unleash employees' performance.

6.3 Limitations

This study was primarily concerned with investigating the relationships among the aspects of organizational factors which are related to communication performance. Causal assertions are recommended for future study. Although the model of communication performance and the hypotheses in this study were developed based on theoretical and empirical support, and the relationships are confirmatory, future research is needed in order to establish causality.

In terms of the data collection, the data were collected during a time when some banks in the study were facing downsizing. This possibly had more or less a

psychological effect on the respondents while they were completing the surveys, especially when they were asked to evaluate performance-related topics. The responses could possibly have been inclined to avoid unpleasant comments against the organizations. Following the quantitative method, future research should include focus group interviews in order to obtain access to undistorted information if it existed.

6.4 Recommendations for Future Study

The communication performance model should also be tested in different industries so as to alternate the key factors that will contribute to a more complete model. It would be of great interest to investigate the key factors of communication performance in high-performing firms and to conduct a comparative study in order to ascertain the best practices and to enable systematic benchmarking.

In order to crystallize the intercultural communication competence variable, researchers may compare the data of local banks with foreign-owned banks whose headquarters are in other countries.

Future research should also seek to place internal communication as an antecedent of external communication performance, as suggested in the theoretical contribution section of the present study. Investigating further, how these constructs interplay, would increase the body of communication performance knowledge.

In this final chapter, the author concluded the study according to the objectives, discussed its contributions, and drew implications for advanced understanding of communication performance study. An end of a journey is the start of the next. This remark may also be applied to the field of communication performance. The author hopes that this positive end will bring about an energetic beginning to any interested researchers in this field, for it is unlimited to anyone that wishes to improve communication performance, indeed.

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APPENDIX



APPENDIX

แบบสอบถาม

แบบสอบถามนี้เป็นส่วนหนึ่งของการค้นคว้าและวิจัยเพื่อการศึกษา

คำชี้แจง

1. แบบสอบถามนี้เป็นส่วนหนึ่งของการศึกษาเกี่ยวกับปัจจัยที่มีผลต่อการสื่อสารของธนาคารพาณิชย์ในประเทศไทย และคำตอบทั้งหมดถือเป็นความลับเพื่อการศึกษาในทางวิชาการเท่านั้น
2. โปรดทำเครื่องหมาย X บนเลขระดับความเห็นด้วย จาก 1 ถึง 7 (โดยที่ 7 หมายถึงเห็นด้วยมากที่สุด และ 1 ไม่เห็นด้วยมากที่สุด)

ส่วนที่ 1 โปรดระบุความเห็นของท่านต่อข้อความดังต่อไปนี้

(7 หมายถึงเห็นด้วยมากที่สุดและ 1 ไม่เห็นด้วยมากที่สุด)

รายละเอียด	ระดับความเห็นด้วย
<u>Interpersonal Communication</u> <u>การสื่อสารระหว่างบุคคล</u> 1. In our bank branch, we receive useful evaluations of our strengths and weaknesses at work. ในสาขานาครของเรา เราได้รับการประเมินจุดแข็งและจุดอ่อนในการทำงานที่เป็นประโยชน์ 2. In our bank branch, the only time we hear about our performance is when something goes wrong. ในสาขานาครของเรา เราจะได้รับทราบว่าผลการปฏิบัติงานของสาขาเป็นอย่างไร ก็ต่อเมื่อได้ทำอะไรบางอย่างผิดพลาดเท่านั้น	 7 6 5 4 3 2 1 7 6 5 4 3 2 1
<u>External Communication</u> <u>การสื่อสารภายนอก</u> 3. In our bank branch, we can provide services the customers need. ในสาขานาครของเรา เราสามารถมอบการบริการที่ตอบสนองความต้องการของลูกค้าได้	 7 6 5 4 3 2 1

รายละเอียด	ระดับความเห็นด้วย
<p>4. In our bank branch, we can satisfy customers' needs. ในสาขานาครของเรา เราสามารถทำให้ลูกค้าที่มาติดต่อใช้ บริการ พึงพอใจในการบริการของเราได้</p>	7 6 5 4 3 2 1
<p>5. In our bank branch, we can provide high-quality customer service. ในสาขานาครของเรา เราสามารถให้บริการที่มีคุณภาพสูง กับลูกค้าที่มาติดต่อใช้บริการของเราได้</p>	7 6 5 4 3 2 1
<p>6. In our bank branch, we can reduce criticism from citizens and customers. ในสาขานาครของเรา เราสามารถทำให้การวิจารณ์ การตำหนิ ติเตียนจากลูกค้าลดลงได้</p>	7 6 5 4 3 2 1
<p><u>Internal Communication</u> <u>การสื่อสารภายใน</u></p>	
<p>7. Downward communication of task performance directives and instructions is adequate. ในสาขานาครของเรา เราได้รับการสื่อสารจากผู้บริหาร ระดับสูงกว่าเกี่ยวกับทิศทางการปฏิบัติงาน และคำสั่งในการ ทำงานอย่างมากพอควร</p>	7 6 5 4 3 2 1
<p>8. Downward communication about the strategic direction is adequate. ในสาขานาครของเรา เราได้รับการสื่อสารจากผู้บริหาร ระดับสูงกว่าเกี่ยวกับทิศทางยุทธศาสตร์ของธนาคารอย่างมาก พอควร</p>	7 6 5 4 3 2 1
<p>9. Upward communication about the problems that need attention is adequate. ในสาขานาครของเรา เราสื่อสารปัญหาต่างๆที่ต้องได้รับการใส่ ใจ ขึ้นไปสู่ผู้บริหารระดับสูงกว่าได้อย่างมากพอควร</p>	7 6 5 4 3 2 1
<p>10. In our bank branch, lateral communication giving emotional support to peers is adequate. ในสาขานาครของเรา การให้กำลังใจหรือสนับสนุน ทางด้านความรู้สึกเห็นใจหรือเข้าใจเพื่อนร่วมงานในระดับเดียวกัน มีมากพอควร</p>	7 6 5 4 3 2 1

รายละเอียด	ระดับความเห็นด้วย
<p><u>Goal Clarity</u></p> <p><u>ความชัดเจนของเป้าหมายในการปฏิบัติงาน</u></p> <p>11. This organization's mission is clear to almost everyone who works here. พันธกิจขององค์กรนี้มีความชัดเจนแก่คนทำงานที่สาขาธนาคารของเราเกือบทุกคน</p> <p>12. It is easy to explain the goals of this organization to outsiders. พนักงานในสาขาธนาคารของเราสามารถอธิบายเป้าหมายขององค์กรให้กับบุคคลภายนอกได้โดยง่าย</p> <p>13. The organization has clearly defined goals. องค์กรของเรามีเป้าหมายที่ระบุไว้อย่างชัดเจน</p>	<p>7 6 5 4 3 2 1</p> <p>7 6 5 4 3 2 1</p> <p>7 6 5 4 3 2 1</p>
<p><u>Intercultural Communication Competence</u></p> <p><u>ความสามารถในการสื่อสารกับผู้ที่มีวัฒนธรรมต่างกัน</u></p> <p>14. In our branch, we feel more comfortable with people from my own culture than with people from other cultures. ที่สาขาธนาคารของเรา เราสะดวกใจในการทำงานกับคนที่มาจากวัฒนธรรมเดียวกัน มากกว่าคนที่มาจากต่างวัฒนธรรม</p> <p>15. At our branch, people from the same culture are closer to one another rather than those from different cultures. ที่สาขาธนาคารของเรา คนที่มาจากวัฒนธรรมเดียวกันสนิทกับคนจากวัฒนธรรมเดียวกันมากกว่าคนที่มาจากต่างวัฒนธรรม</p> <p>16. At our branch, people are supported to look for opportunities to interact with people from other cultures. ที่สาขาธนาคารของเรา บุคลากรได้รับการสนับสนุนให้หาโอกาสที่จะพูดคุยกับคนที่มาจากวัฒนธรรมอื่นๆ</p> <p>17. At our branch, we are encouraged to be open to other cultures. ที่สาขาธนาคารของเรา เราได้รับการสนับสนุนให้เปิดรับวัฒนธรรมอื่นๆที่แตกต่างจากวัฒนธรรมของเรา</p>	<p>7 6 5 4 3 2 1</p> <p>7 6 5 4 3 2 1</p> <p>7 6 5 4 3 2 1</p> <p>7 6 5 4 3 2 1</p>

รายละเอียด	ระดับความเห็นด้วย
Culture วัฒนธรรมองค์กร	
18. The glue that holds people in our branch together is the emphasis on task and goal accomplishment. การเน้นย้ำเป้าหมายและความสำเร็จเป็นสิ่งที่ทำให้บุคลากรในสาขาธนาคารของเรามีความเป็นหนึ่งเดียวกัน	7 6 5 4 3 2 1
19. In our branch, service orientation is commonly shared. ความรู้ด้านการบริการเป็นสิ่งที่ทุกคนในสาขาธนาคารของเราแลกเปลี่ยนความรู้กันเป็นปกติ	7 6 5 4 3 2 1
20. People in our branch emphasize competitive actions and achievement. คนในสาขาธนาคารของเราให้ความสำคัญกับการแข่งขันและผลสำเร็จ	7 6 5 4 3 2 1
21. In our branch, measurable goals are important. ในธนาคารของเรา เป็นเรื่องสำคัญที่เป้าหมายต้องวัดหรือประเมินค่าได้	7 6 5 4 3 2 1
22. Our branch is a very dynamic and entrepreneurial place. สาขาธนาคารของเราเป็นสถานประกอบการที่ไม่เคยหยุดนิ่งและแสวงหาโอกาสทางธุรกิจอยู่เสมอ	7 6 5 4 3 2 1
23. People in our branch are willing to take risks. คนในธนาคารของเราเต็มใจที่จะทำงานที่มีความเสี่ยง	7 6 5 4 3 2 1
24. The glue that holds people in our branch together is a commitment to innovation and development. ความมุ่งมั่นในการสร้างนวัตกรรมและการพัฒนาเป็นสิ่งที่ทำให้บุคลากรในสาขาธนาคารของเราของเรามีความเป็นหนึ่งเดียวกัน	7 6 5 4 3 2 1
25. There is an emphasis on being first in our branch. สาขาธนาคารของเรามีการเน้นย้ำถึงการก้าวสู่ความเป็นอันดับหนึ่ง	7 6 5 4 3 2 1
26. People in our branch emphasize growth and acquiring new resources. คนในสาขาธนาคารของเราเน้นความก้าวหน้าและการได้มาซึ่งทรัพยากรใหม่ๆ	7 6 5 4 3 2 1

รายละเอียด	ระดับความเห็นด้วย
<p>27. In our branch, readiness to meet new challenges is important.</p> <p>ในสาขานาการของเรา ความพร้อมในการพบกับความท้าทายใหม่ๆเป็นสิ่งสำคัญ</p>	7 6 5 4 3 2 1
<p>28. Our branch is a very personal place.</p> <p>ที่สาขานาการของเรา เป็นที่ที่บุคลากรมีความเป็นกันเองมาก</p>	7 6 5 4 3 2 1
<p>29. . My branch is like an extended family.</p> <p>ที่สาขานาการของเรา เราอยู่ร่วมกันเหมือนพี่ เหมือนน้อง หรือเหมือนเป็นครอบครัวใหญ่</p>	7 6 5 4 3 2 1
<p>30. People in our branch seem to share a lot of themselves.</p> <p>บุคลากรที่สาขานาการของเราแลกเปลี่ยนเรื่องส่วนตัวกันอย่างเปิดเผย</p>	7 6 5 4 3 2 1
<p>31. The glue that holds people in our branch together is loyalty and tradition</p> <p>ความภักดีในองค์กรและการทำตามธรรมเนียมที่ปฏิบัติกันมา เป็นสิ่งที่ทำให้บุคลากรในสาขานาการของเรามีความเป็นหนึ่งเดียวกัน</p>	7 6 5 4 3 2 1
<p>32. In our branch, commitment to this organization is high.</p> <p>ความผูกพันของบุคลากรที่สาขานาการของเรา มีต่อองค์กรของเราอยู่ในระดับสูง</p>	7 6 5 4 3 2 1
<p>33. My branch emphasizes human resources.</p> <p>สาขานาการของเราให้ความสำคัญเรื่องทรัพยากรมนุษย์</p>	7 6 5 4 3 2 1
<p>34. High cohesion and morale in our branch are important.</p> <p>ที่สาขานาการของเรา การเข้ากันได้และการปฏิบัติตามจริยธรรมเป็นสิ่งสำคัญ</p>	7 6 5 4 3 2 1
<u>Decentralization การกระจายอำนาจในการตัดสินใจ</u>	
<p>35. In our branch, we have authority to make all decisions related to our work responsibilities freely.</p> <p>ที่สาขานาการของเรา เรามีอำนาจในการตัดสินใจได้ทุกเรื่องที่เกี่ยวข้องกับงานในความรับผิดชอบของเราอย่างมีอิสระ</p>	7 6 5 4 3 2 1

รายละเอียด	ระดับความเห็นด้วย
36. In our branch, we can make decision freely and in a timely way to satisfy customers. ที่สาขาธนาคารของเรา เราสามารถตัดสินใจได้ทัน่วงทีอย่างมีอิสระเพื่อสร้างความพึงพอใจให้ลูกค้า	7 6 5 4 3 2 1
37. In our branch, normally managers are required to wait for head quarter decisions to make any changes to improve procedures. ที่สาขาธนาคารของเรา ในการตัดสินใจเปลี่ยนแปลงเพื่อกระบวนการการทำงานที่ดีขึ้น โดยปกติแล้วผู้จัดการต้องรออนุมัติจากสำนักงานใหญ่	7 6 5 4 3 2 1
38. At our branch, we are authorized to perform our job without being interfered with in our decisions ที่สาขาของเรา เราได้รับอำนาจในการตัดสินใจในการปฏิบัติงาน โดยไม่มีการแทรกแซง	7 6 5 4 3 2 1
39. At our branch, people receive the necessary information for decision making. ที่สาขาของเรา บุคลากรได้รับ ข้อมูลที่จำเป็นเพื่อการตัดสินใจที่มีประสิทธิภาพ	7 6 5 4 3 2 1

ส่วนที่ 2 ข้อมูลทั่วไปของสาขาธนาคาร

โปรดกรอกข้อมูลในช่องว่างที่กำหนด หรือ เติมเครื่องหมาย ลงในช่อง

ข้อมูลของสาขา	
1. ชื่อธนาคารและสาขา	ธนาคาร _____ สาขา _____
2. ขนาดของสาขาธนาคาร: (จำนวนของพนักงานประจำของสาขา)	_____ คน
3. อายุของสาขาธนาคาร: (ตั้งแต่มีการตั้งสาขาธนาคารนี้)	_____ ปี
4. ระยะเวลาที่ท่านทำงานในสาขาธนาคารแห่งนี้	_____ ปี _____ เดือน
5. ตำแหน่งงานของท่านในสาขาธนาคารนี้	ผู้จัดการสาขา รองผู้จัดการสาขา อื่นๆ(โปรดระบุ) _____

ขอขอบคุณอย่างยิ่งในความร่วมมือของท่าน

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