

Information Dissemination At Banking Institutions in Temerloh and Mentakab: A Case Study

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ABSTRACT

The main objectives of this study are to analyze the methods of information dissemination between employees and employers, identify the barriers to information dissemination and determine the consequences of information dissemination failure in banking institutions. A total of 34 questionnaires were mailed to individual members of CIMB Bank, RHB Bank and AM Bank and only 27 individuals responded. The main focus of the research is to see the effectiveness in information dissemination process in relation to change. The type of this research is descriptive research. This research analyzes the information dissemination phenomenon. Results indicate that the effective methods to disseminate information are using electronic mail and using other electronic media such as CD-ROMs and web pages. The rapidly changing scenario in banking institutions requires the information dissemination in relation to change to be managed in an effective way. The effectiveness of information dissemination will influence the way employees take action whether to immediately respond to the information they receive or delay the response. Besides, it is found that there are several barriers and consequences that occur during the information dissemination process. This paper presents in detail the factors that exist in information dissemination process, namely new knowledge, leadership style, strategies, attitude and barriers. The final part of this research provides conclusion and recommendations based on the findings.

Keywords: *Banking, dissemination, effectiveness, information*

Background of the Study

In an organization, the most important thing that ensures the subordinates adapt to changes made by the organization depends on the efficiency of the information dissemination process. When the organization decides to make a change, it needs to be concerned with the employees' readiness to change and the information related to the employees pertaining to the change needed.

The key to successful introduction of change was seen to lie in effective communication (Proctor & Doukakis, 2003). With the advancement of technology, and the globalized world, the organizations have to change accordingly in order to stay competitive. In addition, all these changes will be successful if the information pertaining to them is being disseminated effectively. If all the important information is disseminated effectively and understood by the employees, the chances of them accepting the changes are great.

According to Duggan and Banwell (2004), the relation between the information provider and the information recipient involves the three concepts that are willingness of the recipient to accept new knowledge, targeting information for a specific audience and the role of opinion leaders.

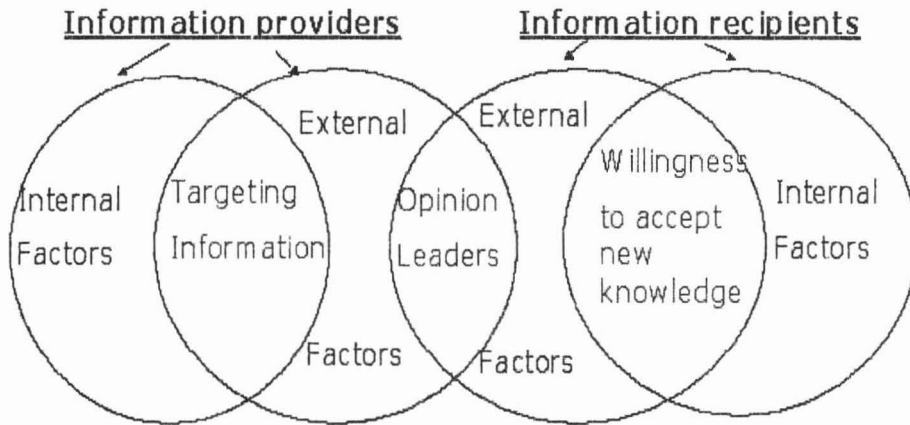


Figure 1: Relation of Information Provider and Recipient According to Duggan

Problem Statement

Information dissemination in the organization recently tends to be the main issue that needs to be considered because all the information needs to be shared by all the employees. Many organizations face this problem when they want to convey the information to the employees in executing changes in the organization. Due to certain obstacles, they are unable to disseminate the information at the right time and in the right format. This will result in the employees resist to accept the change because they receive incomplete information.

Research Objectives

The objectives of this study are to:

- i. analyze the methods of information dissemination between employees and employers in banking institutions.
- ii. identify the barriers to information dissemination in the banking institutions
- iii. determine the consequences of information dissemination failure in an organization.

Research Questions

In order to fulfill the research objectives, the following research questions have been posted:

- i. What are the information dissemination methods applied by the banking institutions in disseminating information to their employees?
- ii. Do the employees ever complain about the methods used by the upper-level management to disseminate information?
- iii. What are the problems faced by the upper management in the information delivering process?
- iv. Where do these problems occur in the delivery process?
- v. What are the changes that usually happen in the banking institutions?
- vi. What are the consequences faced by the banking institutions due to ineffective information dissemination practice?

Knowledge of Information Dissemination

One of the factors that affect the effectiveness of information dissemination is willingness to accept the new knowledge or new information. Miller and Mangan's (1983) research demonstrates that individuals may adopt an information blunting strategy towards a crisis, thereby choosing not to actively seek information. Brashers et al. (2002) contend that an individual might adopt an information blunting strategy when there is a possibility that new information will conflict with their existing health beliefs.

Influence of Leadership Style on the Information Dissemination

Krause (2004) investigated whether leaders can influence the innovation process by granting their subordinates freedom and autonomy. She found that granting freedom and autonomy was positively related to various types of innovative behavior, including the generation, testing and implementation of ideas. Andrews and Farris (1967) concluded that providing subordinates with more freedom to explore, discuss and challenge ideas was associated with higher innovation performance.

Strategy of the Information Dissemination

The critical success factor for successful management is the strategic use of information as positive correlation has been found between management and effective information need assessment, gathering and use (Goodman, 1993). It is related to the success of the information dissemination whereby if the information cannot be disseminated effectively by the organization the goals of the changes cannot be achieved.

The effectiveness of the dissemination methods employed was evaluated by the researchers in relation to at least one of three outcome measures:

- i. An increase in the recipient's knowledge of the particular issue to which the information is related.
- ii. A change in the recipient's attitude, for example reduced anxiety towards the issue.
- iii. A change in the recipient's behavior, for example compliance with cancer screening tests.

Generally, technology will facilitate the user to spread all the information automatically and immediately cross-linked. Boot and Schmeits (1998) highlight that the ongoing revolution in information technology has improved information dissemination and enhanced market liquidity.

Barriers to Effective Information Dissemination

According to Hard and Lindkvist (2000), there are two main kinds of barriers to knowledge transfer which are culture and localization. Culture is reflected in the visible aspects of the organization, such as its mission. The tendency of the effective information dissemination process is very low if the employees feel difficult to adapt to the changes.

Methodology

Five commercial banking institutions in Temerloh and Mentakab, namely Maybank, CIMB Bank, RHB Bank, Public Bank and AM Bank were selected for this case study. Questionnaires were distributed to bank officers and staff in order to get the feedback required.

Findings

Strategies of Information Dissemination

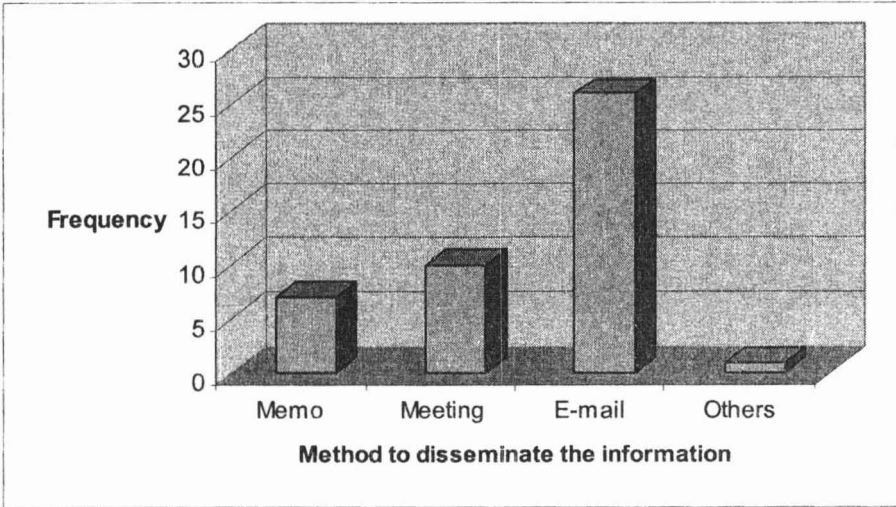


Figure 2: Methods Used to Disseminate the Information

There are 26 respondents who chose the electronic mail as the best method to disseminate information.

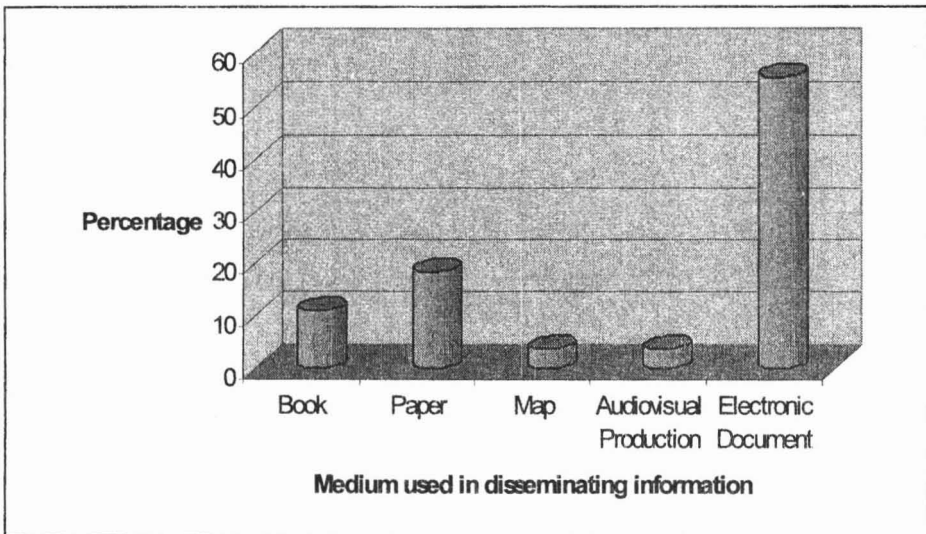


Figure 3: Medium Used in Disseminating Information

Most of the respondents (55.56%) agreed that the electronic document was the most suitable medium to disseminate the information. 18.51% of the respondents chose paper as the second suitable medium to disseminate information within the organization. Only 11.11% of the respondents agreed that the book was one of the preferred media and another 3.7% came from map and audiovisual production.

Time Needed to Disseminate

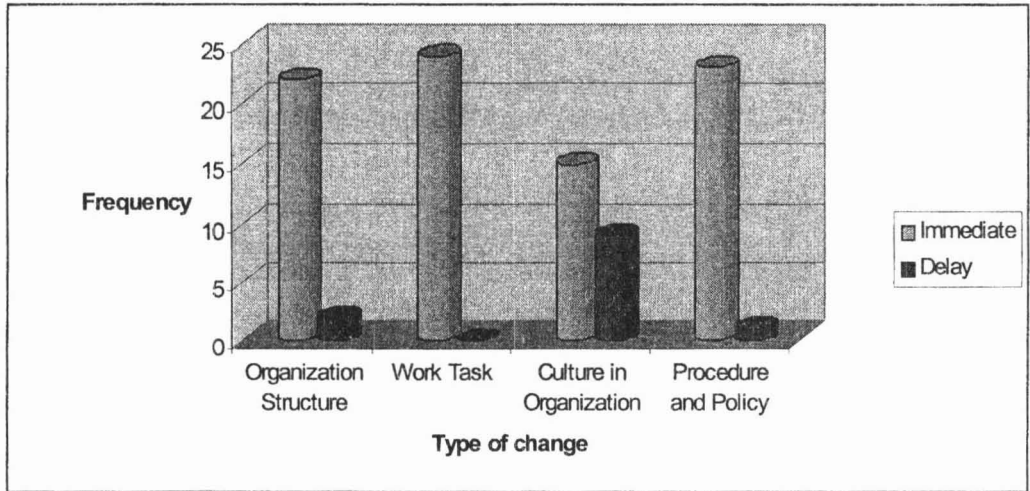


Figure 4: Time Needed to Take Action Based on the Information Disseminated

Figure 4 presents the time needed for actions to be taken from the information disseminated. The cylinder chart shows that 24 respondents agreed that work task should be responded to immediately. On the other hand, a high number of respondents (9 respondents) felt that they would delay responding to information pertaining to the culture in the organization.

Table 1: Suitable Time to Disseminate Information

Most suitable time for information to be disseminated	Frequency	Percent
Morning	27	100

Table 1 presents the suitable time for information to be disseminated. All the respondents agreed that the information dissemination process should be done in the morning.

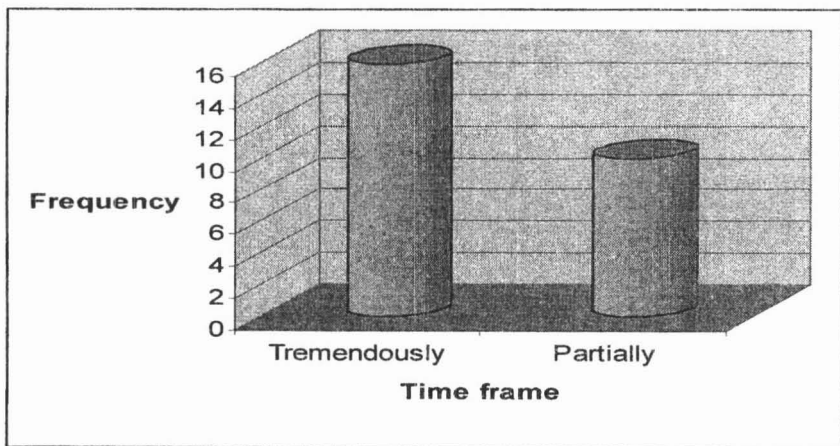


Figure 5: Time Frames Affecting the Information Dissemination Process

Figure 5 shows the time frames that affected the information dissemination process. Based on the respondents' feedback, (59.3%) agreed that the time frames affected the process tremendously whereas 10 respondents believed that the time frames affected the process partially.

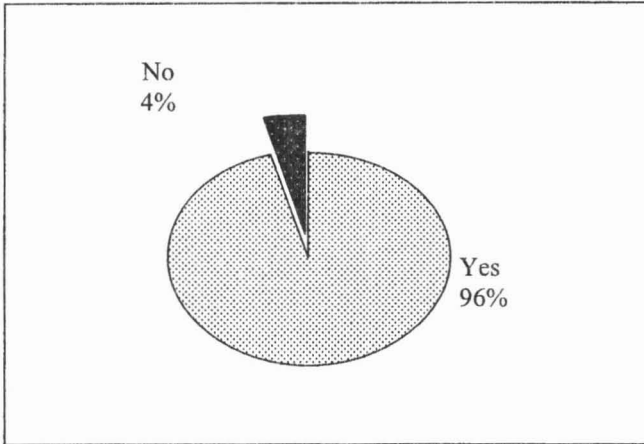


Figure 6: Period for Certain Task to be Fulfilled

Figure 6 focuses on the time period given to employees to fulfill the given tasks. Majority of the respondents agreed that the organization stated the period for them to complete certain tasks (96%). Only 4% of the respondents said that the organization did not state the period for them to accomplish their task.

Barriers of Information Dissemination

The next question focuses on the problems faced by the upper-level management in the information delivering process. 14 respondents felt that the biggest problem faced by the upper-level management was that employees do not understand the information. The lowest number of respondents (3 respondents) believed that the ineffective strategies were the problems faced by the upper-level management.

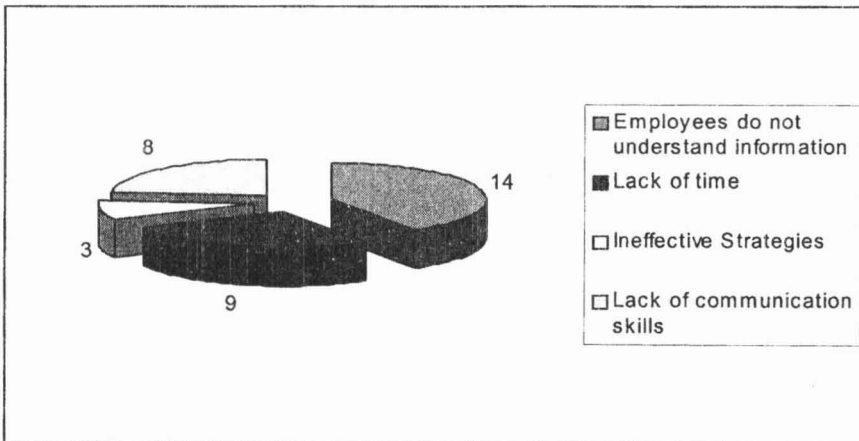


Figure 7: Problems Faced by the Upper Level Managements

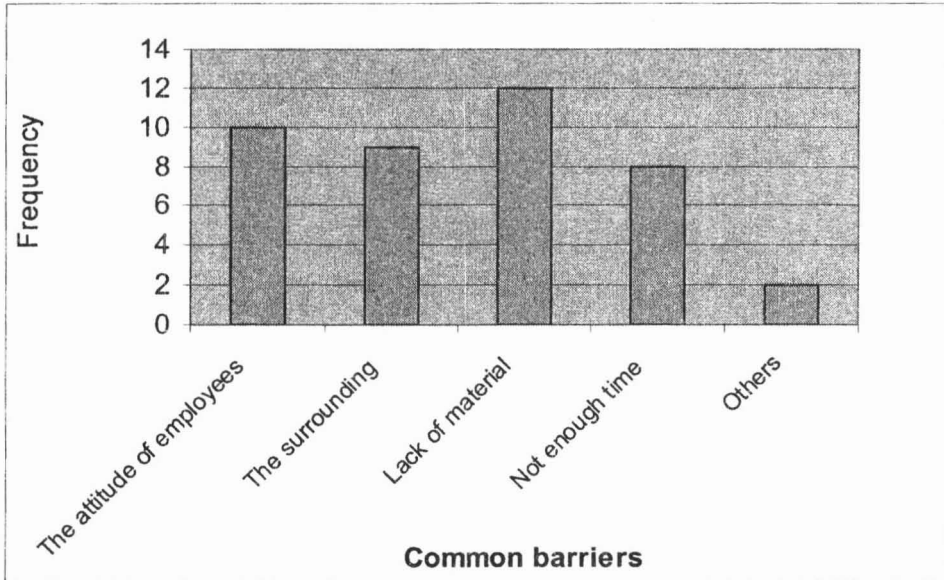


Figure 8: The Common Barriers to Disseminate Information

Figure 8 shows the common barriers to disseminate information. Lack of material made up the highest number of responses (12 respondents). Some respondents (2 respondents) chose skills of dissemination and system problems as the barriers that affected the information dissemination process.

Table 2: Consequences Due to the Ineffective Information Dissemination Process

The Consequences	Frequency
The employees do not understand very well about the latest information from the upper management	13
Employees lack motivation	8
The productivity of the company will decrease	9
The employees will not perform as expected	14
Task cannot be done properly	16

Table 2 presents the consequences faced by the banking institutions as a result of ineffective information dissemination process. Majority of respondents (16 respondents) chose ‘the task cannot be done properly’ as the main consequence of ineffective information dissemination while lack of motivation among employees was the least-occurring consequence with only 8 respondents responding to it.

Conclusion

From the case study conducted, it was found that the most preferred method of information dissemination in the banking institutions involved in the study is through the electronic mail (e-mail). It is the easiest way where information can be sent directly to many employees simultaneously. The tendency of the upper-level management to use e-mail in disseminating

information is higher compared to other methods. Besides, it is the most efficient and effective way. The security of the information is also guaranteed as only the user knows his or her password to the e-mail.

Localization of the senders is not a barrier for them to send the information. Apparently, the attitude of the employees, the surrounding, lack of materials, and not having enough time have been found to be the barriers to effective information dissemination process.

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