Managerial Communication and Decision Making in Banking Sector of Kathmandu Valley

Legina Tamrakar¹, Udaya Raj Paudel², Niranjan Devkota³, Seeprata Parajuli⁴

Abstract

This study aims to determine the influence of managerial communication in decision making of banking sector in Kathmandu Valley. Managerial communication has long been a hot issue in the business world since no company can survive without effective communication with its stakeholders. Similarly, decision making is considered as an essential management function since it is a normal task for every manager and the quality of decision influences the existence of organization. The study found that managerial communication could help a lot in decision making and that enhance organizational creativity in its practice and thereby increase in its level of performance. The managerial communication has a positive and significant influence on decision making of banking sector. This study concluded that managerial communication has been one of the important issues in decision making that could result higher performance and higher productivity of an organization.

Keywords: Managerial communication, Decision making, Nepalese banking sector, Logistic model, Odds ratio.

JEL Classification: C39, D83, G21,

Introduction

Managerial communication is a worldwide phenomenon that has long been a hot issue since no one firm can thrive without effective tool of communication

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Communication is stated to be an essential tool for organizational growth and also a vital instrument of social interactions through which all connections are formed and maintained (Ekeowa, 2016). In this regard, several scholars have mentioned that, nowadays communication is both an important factor of a performance of the business and its development (Kurtuhuz et al., 2011; Ekeowa, 2016; Nabi et al., 2017). In business relationship, there is a big important of a proper interaction and understanding between management and employees that could have a great impact in the performance within the organization (Hasanaj, 2017). Today and in the days to come, financial organizations and other decision making entities will be facing a lot of management challenges. Whether the objective of the organization is to make profit or not. It is, however, necessary to control the activities of manager in order to remain on appropriate track that is established by management (Rijal, 2007).

The communication process between the sender and recipient of information is seen as critical with total organizational communication having an influence on organizational performance and services (Parajuli et al., 2020). Managers communicating effectively will definitely help in decision making process and will also have distinct perception in the same information communicated. Therefore, communication is the process of passing information from one person to another in order to assist the functioning of an organization. Whenever the delegation of authority in a corporation is strong, it aids in the smooth and correct operation of the firm (Shrestha et al., 2020). A manager must have multi-task quality that keeps focusing on goals, keeping employees motivated, and make decisions which positively affect the financial health of the organization. Effective communication is critical for success of any organization (Kurtuhuz et al., 2011; Ekeowa, 2016; Nabi et al., 2017). As communication has become a major factor in the formulation, execution of policies, and programmes, communicators should represent the goals of the people and a coordinal connection with the audience (Pokhrel, 2007).

The basic management processes of planning, organizing, leading, and regulating are impossible to carry out without effective communicating systems (Nabi et al., 2017). In an institution, decision making is not a simple process. It entails the process of identifying and selecting among alternatives. If looking back on previous decisions and trying to extract learning from previous observation, it will aid in improving the decision making process when problems arise. Channels such as decentralized communication are well known in order to achieve effective flow of information and decision making when problems occur (Jamian et al., 2011). Decision making is said to be an important function of management. When decision making is essential but management with no decisions is like a person who does not have a backbone.
Communication is viewed as the lifeblood of organization (Drake, 1995) and decision making is a routine task for practically every management, and the quality of decision making influences the survival of organization (Pokhrel, 2007). Nepalese executives have well understood and aware that good decision-making in the workplace leads to the achievement of a set of goals (Prasad, 2002; Paudel et al., 2021). However, the majority of Nepalese managers have a tendency to just suggest a small number of potential solutions. The majority of Nepalese managers still encounter some issues in the organization while making choices, despite the fact that managerial communication has been a concern for financial institutions in Nepal and has been gradually improving in commercial banks of Nepal (Rijal, 2007).

In today’s highly technical and informed world, it is crucial to have effective communication skills (Gyawali, 2014). In Nepal, the majority of people still appear to have communication difficulties. Their failure to communicate clearly in their professional settings as well as in their interpersonal and social interactions will hinder them as well as organizational growth. In Nepalese organizations, emphasis should be placed heavily on effective communication abilities. Effective communication abilities can promote more efficient business procedures and make it easier for employees to speak with one another.

Nepalese banks have been embracing information technology as a communication channel where banks may impart knowledge of information technology to consumers for optimal decision (Sapkota et al., 2018). However, there is a need to look at the function of communication in participatory decision-making in greater depth. Management teams are in charge of making decisions, and the choices they make will have an impact on the overall performance of the organization. However, it is important to look more closely at how communication functions in participatory decision-making.

Corporate communication as a profession is a creative as well as challenging job. The study will help to analyze the elements that influencing and improving managerial communication in decision-making process of organization especially in Nepalese banking industry. In addition, it also assists in identifying the implications that must be made in order to achieve the standards in decision making process. The organization of the study is as follow. With the introduction of first section, second section deals with review of literature followed by data and methodology in third section. Data presentation and analysis are unleashed in fourth section, and finally conclusion, discussion, and recommendation in last section.
Review of Literature

Theoretical Review

There are various theories related to managerial communication in decision making developed by different scholars at different time period. But, it can also be said that no one network may be appropriate in all kinds of situations.

The ‘Communication Network Theory’ explained about different characteristics of technical environments that are required correspondingly in different communication patterns to transfer the information (Taylor & Utterback, 1975). The ‘Informational Influence Theory’ assumes that the theory is characterized through a tendency to receive others perspective where the new information provided by one member will be more persuasive than the earlier information, then the team work decisions success can be enhanced with a unique communication environment (Schmidt et al., 2001). The ‘Action Control Theory’, more specifically, mentioned that the rational decision making could be estimated from self-esteem and action control which consist all the processes that intervene the maintenance of intentions and also to mentally focus in own task without getting diverted by unnecessary mental influences and decision making involved with self-evaluation and cognitive abilities (Thunholm, 2004).

Similarly, the ‘Motivational Language Theory’ has mentioned highlighting its communicating behavior of a specific leader so as to support effective and efficient decision making of employees in order to make better decision. So, it could provide a clear understanding regarding how the leadership language will have impacts on employees that will lead to positive outcomes from employees and thereby success of the organization (Mayfield & Mayfield, 2016). The ‘Social Exchange Theory’ analyzed by employing the socio-emotional and psychological factors that underpin attitudes and behaviors of employees. The employees and organization play a vital role when maintaining and developing the exchange managerial communication which will help to build high level of support (Dasgupta et al., 2013).

Again, the ‘Organization Support Theory’ mentions about the supports of organizations that affect the behaviour of employees. When employees perceive the organization as supportive, they have a feeling of commitment to pay back this support by favorable kind of behavior and attitude which genuinely raises the performance of employees. It represents an indispensable part of the social exchange relationship between employees and the employer where the supervisor of the organization will indicate what the organization did for their employees (Dasgupta et al., 2013). The ‘Behavioral Theory’ mentioned that the organization will learn from their experiences. Therefore, the role of managerial decision making identifies different kinds of problems and deviations that are related to the assumption of rationality according to the decision (Aharoni et al., 2011).
Empirical Review

Organizational Environment

Niraula (2012) has explained that management is a process that comprises planning, developing, staffing, directing, and organizing actions. The communication process has an impact on not just how management functions, but also how people see their roles within the firm. Wilburn and Wilburn (2011) have said that the way we work today has changed so that every manager should concentrate on communication issues related to crisis management, conflict resolution, and career management. Mohanty and Mohanty (2018) have stated that one of the most important aspects of a communication management of a manager is to effectively present the idea and prospects of each project. It must be done in a way that is inspiring with powerful and informative content that allows employees to understand how they are involved in the particular work and how their contributions at work will be part of their career development.

Career Development

Career includes within three main aspects. The first is internal career which refers to a personal and subjective perspective on career progression. Second one is the external career which symbolizes how others view career progression. Third one is the organizational career which relates to the position and duties that an individual does during their working life. Ademi (2016) has explained that professional development is a difficult process most of the time, and it involves not only conflicting interests, but also listening skills, aggressive behaviors, negotiable skills, confusion of responsibilities, and decisions. Niraula (2012) has illustrated that business organizations have three levels of management like - the top level formulates policies, programmes, and strategies that necessitate good communication; the middle level formulates mid-term strategies and programmes that necessitate communication; and the lower level formulates daily operations programs and strategies that also necessitate communication.

Decision making is an important part of any manager and it is usually a part of the job of employees at all levels of the organization. Wijnberg et al., (2002) said that decision makers are responsible for effects whether they are negative or positive, and it is the job and responsibility of the decision maker to balance those. Ehrmann and Fratzscher (2014) have said that there has been a shift in decision-making from people to committees. Wilburn and Wilburn (2011) argue that the impact on decision-making represents scenario planning techniques which are helpful for managers in complex and uncertain environments. Similarly, in order to make good decisions, managers must have a good understanding of the challenges. Whether the decision is about a major investment in technology, it must be based on relevant information and understanding. By doing so, managers and leaders will be in a better position to act as a good decision-making unit.
which will help the organization achieve success (Kurtuhuz et al., 2011). Ademi (2016) says the successful communication is required to create an environment of trust and excellent communication aids the work of establishing relevant and appropriate information systems.

Kurtuhuz et al. (2011) mentioned that a team of management is responsible for the overall performance of the organization. So, in order to be an effective manager, one must have a good understanding of the challenges they face. Whether the decision is about a staff or an investment, it must be always relevant information based that must include inputs from the right people and it must contain all the elements of a good and precise decision.

**Communication Management**

Paudel et al. (2020) have said that communication management in banking sector plays a vital role as it portrays overall picture of the bank. Muhamedi and Ariffin (2017) have said that hard work and goal-oriented abilities could be developed in order to construct successful communication with the manager. As a result, communication management is required to communicate successfully. To develop a communication strategy, it includes crucial elements such as accuracy as needed, organization, and targeting. Mohammad (2015) says that a communication plan aids in the preservation and dissemination of communication processes, organizing how information flows via channels, from which it originates, to whom it is distributed, and how frequently it occurs. However, it is dependent on the expectations of management.

Tam and Oliveira (2017) have said that it should be remember the open communication methods and lines that help to maintain employees’ engagement and involvement. The communication plan takes place between the manager and employees predicts meetings on a regular schedule, methods to obtain information, necessary updates, and evaluation as time passes. Wijnberg et al. (2002) have shown an important to create communication channels to discuss each project, report progress, resolve problems, and make decisions.

Ademi (2016) has explained that different types of communication are used such as interpersonal communication to exchange messages between two people or in a small group that includes verbal or non-verbal, downward, upward, horizontal, and diagonal communication. Muhamedi and Ariffin (2017) have explained that communication channels are essential elements of administration activities because they provide superiors with various powers of power or control. Managers should be concerned with the transmission process and flow of information because communication is a fundamental and vital role in balancing individual and organizational goals. Managers coordinate, plan, organize, motivate, and control through communication.
Niraula (2012) said that good communication is essential for managerial effectiveness. Managers spend time communicating, explaining plans, schedules, policies, and procedures to subordinates, among other things. As a result, managers must have excellent communication abilities. Semren (2017) had explained that managers communicate with their staff in a variety of methods in their daily routines, and it is challenging to develop strong corporate communication and motivation in huge organizations. Nazari et al. (2013) said that positive impression of organizational changes aids managers in developing effective communication and organizational justice.

Wilburn and Wilburn (2011) mentions that banking relies deeply on interaction and is important to communicate with their clients and they must have good communication competence. Hasanaj (2017) added that effective communication is the key to a change process as it helps employees to get engage in change. Mohanty and Mohanty (2018) stated that success of organization depends on effective communication as managers communicate to subordinates in diverse ways in the past than they do these days. Markovic and Salamzadeh (2018) have said that the banking industry has begun to focus on communication tools and tactics over its services and products.

Tam and Oliveira (2017) have said that if things are communicated effectively and appropriately, it can serve as a marketing tool for banks Wilburn and Wilburn (2011) argued that the impact on decision-making represents scenario planning techniques which are helpful for managers in complex and uncertain environments. Similarly, in order to make good decisions, managers must have a good understanding of the challenge. Kurtuhuz et al. (2011) have expressed that managers and leaders will be in a better position to act as a good decision-making unit which will help the organization achieve success.

**Data and Methodology**

**Conceptual Framework**

The conceptual framework provides a comprehensive view of the numerous sorts of communication decisions that should be made in corporate life which is valuable for managers of corporate communication departments. There are a variety of situations in which managers should make communication policy and coordination decisions in order to change one or more firm-specific communication resources (Siano et al., 2013). This conceptual framework of the study has been modified from (Farley-Ripple et al., 2018) as given following Figure 1.
In Figure 1, the variables used in this study are the identity, organizational performance, communication, and decision making of organization. In the study, decision making is treated as dependent variable whereas identity and organizational performance are treated as independent variables. The position of company in banking business plays a vital role in decision making which is taken as a proxy variable in this study.

**Model Specification**

The study used the communication theory of decision making. The theory assumes that it assesses information and structured data generated by an event which is concerned with the transmission of such structured data via communication channels (D’Alfonso, 2012). Hence, the mathematic model of the study is as follows (Krippendorff, 2009). The basic measure, called entropy ‘H’ has been modeled using an equation of the form

\[ H(X) = -\sum_{x \in X} P_x \log_2 P_x \]  

Where,

- \( P_x \) = Probability of message x occurring in the set of possible messages X;
- \( \sum \) = The minus sign assures that entropies are positive quantities.

However, With \( N_X \) as the size of the set X of possible messages, H’s range is \( 0 \leq H(X) \leq \log_2 N_X \).

‘H’ averages the number of binary choices needed to select one message from a larger set, or the number of binary digits, bits for short, needed to enumerate
that set. ‘H’ is interpretable as a measure of uncertainty, variation, disorder, ignorance, or lack of information (Krippendorff, 2009).

**Empirical Framework**

For the empirical analysis of the study, a Binary Logit Model is selected to identify the significant variables that determine the managerial communication in decision making in the study area. The effect of ‘X’ on the response probabilities, \( P(y = j / x) \) can be estimated by using Binary Logit Model as:

\[
\begin{align*}
P (Y_i = j / X_i) &= F (Z_i) = \frac{e^{Z_i}}{1 + e^{Z_i}} = \frac{1}{1 + e^{-Z_i}} \\
Z_i &= \beta_0 + \beta_1 X_1 i + \ldots + \beta_n X_n i + \mu_i \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots (2)
\end{align*}
\]

The final equation can be written as:

\[
Y = \beta_0 + \beta_1 Age + \beta_2 Sex + \beta_3 Mstat + \beta_4 Ethn + \beta_5 Wexp + \beta_6 MisCom + \beta_7 ComB + \beta_8 OrigH + \varepsilon
\]

Where,

- \( Y \) = Dependent variable,
- \( \beta_0 \) = Constant term,
- \( \beta_1 \ldots \beta_8 \) = Coefficients of independent variables, and
- \( \varepsilon \) = Error terms

**Variables and its Description**

Table 1 depicts the independent variables applied in this study for measuring managerial communication. The variables are categorized into three parts such as socio-demographic variables, organization’s identity factors, and organizational performance factors.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Description</th>
<th>Value</th>
<th>Expected Sign</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>Age of the Respondent</td>
<td>In years</td>
<td>+</td>
</tr>
<tr>
<td>Sex</td>
<td>Gender of the Respondent</td>
<td>1 = Male, 0 = Female</td>
<td>±</td>
</tr>
<tr>
<td>Mstat</td>
<td>Marital status of respondent</td>
<td>1 = Married, 0 = Otherwise</td>
<td>±</td>
</tr>
<tr>
<td>Ethn</td>
<td>Ethnicity of the respondents</td>
<td>1 = Chhetri / bramin, 0 = Otherwise</td>
<td>±</td>
</tr>
<tr>
<td>Wexp.</td>
<td>Work Experience</td>
<td>In years</td>
<td>+</td>
</tr>
<tr>
<td>MisCom</td>
<td>Encountered Miscommunication</td>
<td>1 = Yes, 0 = Otherwise</td>
<td>±</td>
</tr>
<tr>
<td>ComB</td>
<td>Communication Barrier</td>
<td>1 = Yes, 0 = Otherwise</td>
<td>±</td>
</tr>
<tr>
<td>OrigH</td>
<td>Original regional hill</td>
<td>1 = Yes, 0 = Otherwise</td>
<td>±</td>
</tr>
</tbody>
</table>

*Source: Modified from Farley- Ripple et al. (2018)*
**Study Area and Population**

The study area is the Kathmandu Valley, a capital city of Nepal, as head offices of all banks are located in the Valley. The latitudes of the Kathmandu Valley are 27°32”13” and 27°49”10” north, while the longitudes are 85°11”31” and 85°31”38” east. The valley is divided into three districts: Kathmandu, Lalitpur and Bhaktapur covering an area of 899 sq km. (Pant & Dongol, 2009; Ishtiaque et al., 2017). Since, Kathmandu Valley is surrounded by the range of Mahabharat and people from different parts of the country have been migrated to its capital, maximum numbers of branch offices are present in the valley as well. All commercial banks have their headquarters and also their network in the valley that can provide accurate information and help with decision-making that will be helpful for the study.

![Figure 2: Study Area](source: Researcher’s own from GIS.)

**Population, Sample Size, and Sampling Procedure**

The population of the study includes the managers of all commercial banks in the Kathmandu Valley who are responsible and accountable in decisions making process of their concerned banks. It is essential and also important due to its feature to make inference regarding the population through a sample. The following formula is used to derive the size of sample for the study which was also used by Panth & Kafle (2018) in their study.

\[ n = \frac{z^2 \cdot p \cdot (1-p)}{e^2} \]
Where

\[ n = \text{Size of sample of the study}, \]
\[ Z = 1.96 \text{ is the value of standard variation at 95\% confidence level} \]
\[ p = \text{Prevalence or proportion of an event } 50\% = 0.5 \]
\[ q = 1 - p = 1 - 0.5 = 0.5 \]
\[ e = 5\% \text{ as allowable error that can be tolerated.} \]

So, the total sample for the study \( n = \frac{Z^2 p q}{e^2} \)
\[ n = (1.96)^2 \times 0.5 \times 0.5 \]
\[ = 384.16 \approx 385. \]
Non-response error 5\%, i.e. 384.16*5 / 100 = 19.21 (\approx 20)
Thus, the sample size of study is 385 + 20 = 405.

So, the study is based on the responses of 405 people who live in the Kathmandu Valley. The study applied the purposive sampling technique which is beneficial to a study when the researcher wishes to reach a target rapidly and proportionality is not a major concern (Singh & Masuku, 2014). All managers in Nepalese commercial banks represent the size of population of the study. The sample size will be obtained using the sample size determination process described later in this chapter. The population of the study is believed to be managers of commercial banks in Kathmandu Valley due to specific restrictions and limitations on the study region, and the sampling design adopted for this study is non-probability sampling. The size of sample determination aids in the planning of the study by assisting in the statistically significant results achieved through the efficient and ethical use of research resources (Burmeister & Aitken, 2012). The size of sample determination is the selection of the number of observations for the study (Singh & Masuku, 2014).

**Research Instruments**

Various research instruments such as a pre-test structured questionnaire for data collection, expert interaction, and observation have been selected in order to conduct this study. The managers involved in commercial banks of Kathmandu Valley have been questioned on the basis of these questionnaires. Further pre-test is carried out at around 5-10 percent and the minimum 20 respondents are done pre-test. The study has conducted descriptive analysis of the managerial communication index. Also, managerial communication index is prepared following inferential analysis. Post estimation tests are also conducted. Further, the computer software Excel is used to input surveyed data and STATA is used to generate the output.

**Data Presentation and Analysis**

**Socio-Demographic Characteristics**

This section looks at the age, gender, educational level, work experience, salary level, and marital status of bank managers in Kathmandu Valley. It included 80 percent male and 20 percent female respondents with 95.06 percent of them
being married, which influenced their managerial decision-making directly or indirectly. It clearly shows that male bank managers outnumber female bank managers in the Kathmandu Valley. The majority of managers (61.97 %) have a master’s degree. Working experience of respondents is a significant factor in determining the knowledge of organizational experience and their ability to provide appropriate responses. Similarly, the majority of bank managers in the Kathmandu Valley (92.83 %) had 6-10 years of experience. Women managers, on the other hand, were found to have 1-5 years of experience. It is because that those benefits of bank managers and earnings are seen as fascinating. It was discovered that 54.56 percent of managers’ earnings ranged from 70001 to 90000 US.D.

**Managerial Communication Index**

This section deals with how managers are aware regarding managerial communication decision making. For developing, the index response was collected from the respondents where if response was ‘Yes’ then they were aware and if ‘No’ they were not. In that sense, if the calculated score was below 50 percent, then respondents were less aware on managerial communication decision making, 50-75 percent then moderately aware. If more than 75 percent, then they were highly aware (Paudel et al., 2020). Various factors were taken into consideration while preparing this index that includes identity, negotiation, adaptation, and decision making. In light of this, the majority of respondents are well-versed in the identification, negotiation, adaptation, decision-making elements, and virtually all of them are well-versed in the overall factors of management communication in decision-making. Almost 100 percent managers were found to have good knowledge on managerial communication in decision making. By respecting the results, the study concluded that bank executives in the Kathmandu Valley are highly conscious of managerial communication in terms of identification issues, negotiation, adaptation, and decision-making.

**Pre and Post Estimation Results**

This study used the link test, lfit, and fitstat tests as part of the pre-estimation process. Multicollinearity and heteroscedasticity tests, on the other hand, are commonly used to see if there is any repetition or similarity between data sets, as well as if data sets are free of multicollinearity so that further steps can be taken. The link test shows the probability, which is greater than chi2, is exactly equals to 0.0000. Similarly, lfit is most popularly known as the ‘Goodness of Fit’. The number of covariate patterns is 127 and the probability which is greater than chi2 is equals to 0.0000. Likewise, fitstat is most popularly known as the measures of fit for ‘Logit’ of company position. he count R² is 0.975 whereas the adjusted count R² is 0.545.

The mean VIF is 1.63, indicating that the data set used for this analysis is multicollinearity-free. VIF shows that how much the variance of the coefficient
estimate is inflated by multicollinearity, and it is better to look at bivariate correlations with a VIF of 10 or above. Multicollinearity is not present if the VIF score is less than ten (Williams, 2015). According to the results, the mean VIF is 1.63, indicating that the data set used for this analysis is free of multicollinearity. Heteroscedasticity occurs when error terms do not have constant variance or variance differs (Williams, 2015). Heteroscedasticity occurs when errors are not uniformly distributed and that are considered to have various variance distributions (Klein et al., 2016). Outliers in the data set are indicated by the presence of heteroscedasticity in that variable. As the likelihood of chi2 is greater than 0.0000, the existing data set has a heteroscedasticity problem. As a result, the study conducted a thorough standard error test to address the issue.

Regression Analysis

The purpose of this study is to use logistic regression to predict the roles of managerial communication in banking decision-making in the Kathmandu Valley. The significance of the dependent variable business positions with various independent factors such as age, gender, marital status, ethnicity, and so on as shown in Table 2. The importance of corporate position is shown in this study when compared to independent variables such as age, gender, marital status, ethnicity, and so on. A post estimation test was performed to see whether the data set follows the ordinary least square (OLS) characteristics. The robustness tests have arisen in statistics as a response to the uncertainty that social scientists experience while defining empirical models (Sovacool et al., 2018). Robust standard error is a strategy for achieving unbiased OLS standard errors under heteroscedasticity, or it may be thought of as the actions carried out when executing tasks and solutions. Table 2 explains the final regression result drawn.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Logit Coefficients / Standard Error</th>
<th>Odds Ratio / Standard Error</th>
<th>Marginal Effects / Standard Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>- 21.81*** (7.040)</td>
<td>3.36e-10*** (2.37e-09)</td>
<td>-</td>
</tr>
<tr>
<td>Age</td>
<td>0.527*** (0.188)</td>
<td>1.694*** (0.318)</td>
<td>0.0103*** (0.00298)</td>
</tr>
<tr>
<td>Sex</td>
<td>- 0.0804 (0.790)</td>
<td>0.923 (0.729)</td>
<td>- 0.00157 (0.0156)</td>
</tr>
<tr>
<td>Mstat</td>
<td>- 1.010 (1.302)</td>
<td>0.364 (0.474)</td>
<td>-0.0198 (0.0232)</td>
</tr>
<tr>
<td>Ethn</td>
<td>0.385 (1.850)</td>
<td>1.469 (2.718)</td>
<td>0.00753 (0.0356)</td>
</tr>
<tr>
<td>Wexp</td>
<td>4.981*** (1.138)</td>
<td>145.6*** (165.6)</td>
<td>0.0975*** (0.0226)</td>
</tr>
<tr>
<td>MisCom</td>
<td>2.830*** (0.711)</td>
<td>16.95*** (12.06)</td>
<td>0.0554*** (0.0109)</td>
</tr>
<tr>
<td>ComB</td>
<td>- 0.0280 (0.788)</td>
<td>0.972 (0.767)</td>
<td>- 0.000549 (0.0155)</td>
</tr>
<tr>
<td>OrigH</td>
<td>0.193 (1.723)</td>
<td>1.213 (2.090)</td>
<td>0.00378 (0.0334)</td>
</tr>
<tr>
<td>Observation</td>
<td>405</td>
<td>405</td>
<td>405</td>
</tr>
</tbody>
</table>

Source: Author’s calculation based on survey data, 2022.
Note: Robust standard errors in parentheses *** p < 0.01, ** p < 0.05, * p < 0.10
This study is related to the roles of managerial communication in decision making of banking sector which indicates that the dependent variable which is company position is significant with the various independent variables mentioned in the given regression model like age, work engaged, and encountered miscommunication. The findings reveal that age, work engaged, and encountered miscommunication are significantly related to company position. In other side, it can be said that the probability of company position increases with the age, work engaged, and encountered miscommunication. The first model demonstrates that the odds ratio of the company position increases by 1.694 times when the age of respondents is taken into account, 145.6 times when the respondent is working, and 16.95 times when misunderstanding is encountered.

The odds ratio is also taken into account in the final regression model. The business position as dependent variable is clearly significant with age of 1.694, the work engaged, 145.6, and lastly the encountered misunderstanding is 16.95 as shown in the Table 2 of the odds ratio. The last part of the final regression model depicts marginal effects. Here, it is similar to the odds ratio. Because in marginal effect also the dependent variable of company position is significant with the age, work engaged, and encountered miscommunication whereas the remaining variables are not significant to the company position which can be clearly viewed in the given Table 2.

**Conclusion, Discussion and Recommendations**

The communication process between information senders and receivers is seen as a critical activity in which total organizational communication has an impact on organizational performance and services. This study is important in addressing the effectiveness of communication on banking sector. When managers don’t follow appropriate communication strategies then it will have unfavorable impact in the organization. Therefore, managers should carry out proper appropriate techniques and strategies for communication and decision making. Therefore, it is crucial to continue investigating the reasons that explain the importance of managerial communication.

In today’s environment, managerial communication in decision-making is becoming one of the most significant challenges in any firm. However, it is still uncertain how managerial communication influences decision-making. Effective communication is becoming more important in order to get a competitive advantage in the market and to earn the trust of society in the firm. The excellent communication is linked to accurate decision making in the banking sector. In the context of Nepal, banks appear to be bettering and improving in the communication department these days, despite the fact that decision-making has a variety of issues relating to the numerous banking operations of the organization.
In order to improve the barriers of communication, different types of initiations must be taken by government through policy formulation considering on ethics (Howe, 1963). Making decisions is an important part of job of any manager, and it is usually a part of the job of employees at all levels of the organization. Decision makers are responsible for effects whether they are negative or positive, and it is the job and responsibility of the decision maker to balance those (Wijnberg et al., 2002). According to Ehrmann and Fratzscher (2014), there has been a shift in decision-making from people to committees. The impact on decision-making represents scenario planning strategies that are useful for managers in complex and uncertain contexts.

Similarly, in order to make good decisions, managers must first gain a thorough understanding of the problem. Whether the decision is to invest in technology or not, it must be based on relevant information and a thorough understanding of the problem. Managers and leaders alike will be in a better position to act as a unit of good decision making which will help the organization achieve success (Kurtuhuz et al., 2011). In banking business, managerial communication is concerned with the emotional impact of messages as well as factual substance. Good banking communication aids in the ongoing improvement and reinforcement of stakeholder relationships, as well as the formation of a team capable of delivering useful results that lead to organizational success. Still, the banking sector must assess the product or service that must be effectively communicated to employees, as well as pay close attention to managerial communication. A manager must be multitasking in order to stay focused on goals, keep staff motivated, and make decisions that benefit to the financial health of the company.

Because of the short time frame, the study only includes the main survey; however, the secondary data survey can be used to examine the improvement of communication in decision making of managers in banking industry. As a result, future researchers can focus their efforts on determining the impact of managerial communication on gender decision-making and attempting to uncover the reasons behind women’s underrepresentation in various aspects of the banking industry. Because the conceptual framework was evaluated for the first time, some of the variables chosen and included in the study may not have served their intended purpose. Consequently, future researchers should analyze variables more thoroughly and add or eliminate variables as needed.

Keeping these into consideration, following recommendations are put forward:

**Being a Good Listener:** A good listener allows you to act and assist the bank through properly saving time for both managers, staff or clients. They should make strengthening their listening skills a priority. Practicing active listening skills is very important as well as being aware of common logical fallacies.

**Reduction or Elimination of Noise:** Noise reduction or elimination can be considered for reducing communication barriers. Communication culture must
be created that encourages communication in both directions. It’s also crucial to deliver the correct message to the right people at the right time.

**Remain Aware of Cultural Differences:** Employees with diverse background have different interpretation of language. There must be collaborative learning process as a whole. It is always important to check over the details and stay engaged. The aware of cultural variations is a solution to the problem in managerial communication, Communication challenges are high when and where cultural differences and language barriers is seen. Diversity trainings can be provided in order to understand cultural differences.

**Use of Simple and Clear Language:** There must be clear communication through broad channels for which using plain and clear language is the solution. There must be clarity in roles and responsibilities as well.

**Provide Adequate Time to Employees within the Workplace:** Managing people is a big challenging job. Providing adequate time for employees will help them to clear confusions. The concept of morning meeting can be regularly held. Appropriate forms of communication can be used.

**Formulate of Banking Communication Policies:** Although there are various policies formulated by the Government of Nepal (like - Information Act, SDGs policies, communication policies of the Government of Nepal and National information and communication technology policies), Nepal Rastra Bank has also to address and formulate some specific aspects of banking communication policies that would make it easier for companies to follow policies and implement good communication.

**References**


