

The Influence of Horizontal Communication, Upward Communication, and Downward Communication on Generation Z Employee Performance at PT Bank Mandiri Tegal Area

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Abstract. This study aims to analyze the effect of three forms of organizational communication—horizontal communication, upward communication, and downward communication—on employee performance at PT Bank Mandiri Area Tegal. This research stems from the importance of communication effectiveness in banking organizations that are hierarchical and complex, where internal communication barriers often negatively impact employee performance. The novelty of this research lies in its approach, which simultaneously examines the three directions of communication within one integrative model—a perspective that has not been comprehensively studied in the Indonesian banking sector. The method used is a quantitative approach with an explanatory research type and census technique, sampling the entire employee population of 30 people. Data were collected through questionnaires and analyzed using multiple linear regression. The results showed that the three independent variables had a positive and significant influence on employee performance. Horizontal communication contributed 27.6%, upward communication 27.9%, and downward communication 27.3% to performance improvement. This finding confirms that effective two-way and lateral communication is essential to driving productivity, engagement, and collaboration in the work environment.

Keywords: banking sector, downward communication, employee performance, Generation Z, horizontal communication, upward communication

INTRODUCTION

Communication is a crucial component in organizational management that directly affects employee performance and the achievement of institutional goals, including in the banking sector, which has a complex and hierarchical organizational structure. The effectiveness of communication in an organization can strengthen coordination, increase motivation, and build trust between managers and employees, cumulatively impacting work productivity (Alagaraja & Shuck, 2015; Saputra, Anggraini, & Triono, 2024). However, various studies show that many financial institutions still face obstacles in delivering information thoroughly and efficiently at all levels of the organization, causing message distortion and negatively affecting the performance of individuals and teams (Kalogiannidis, 2020). In this context, organizational communication is not only seen as a tool for conveying information but also as a strategic instrument in building harmonious and effective working relationships among all members of the organization, especially in the banking industry, which demands precision and cross-division coordination.

As the demographic structure of the workforce changes, the emergence of Generation Z as a significant part of the workforce brings new dynamics to the organization's communication system (Aswani & Otiende, 2025; Shinde & Surve, 2025). Gen Z, generally born between 1998 and 2010, is known as the digital native generation that grew up amid advances in information and communication technology (Francis & Hoefel, 2018). They have key characteristics including openness to dialogue, an interest in collaborative work, and a

preference for a flexible and transparent work environment (McKinsey, 2018). Gen Z is also known to be realistic, innovative, and highly oriented toward work-life balance (Agarwal & Vaghela, 2018). This generation's changing communication behavior and values require organizations, including the banking sector, to adapt by creating a more participatory, open, and digital technology-based communication model to remain relevant to the needs of young employees who increasingly dominate the workforce.

In the context of the banking industry, the presence of Generation Z poses its own challenges because their communication style—tending to be fast, interactive, and technology-based—often clashes with an organizational culture that remains formal and hierarchical. In fact, the effectiveness of organizational communication is key to maintaining cross-line coordination, accelerating decision-making, and strengthening employee work motivation (Barr-Pulliam, Nkansa, & Walker, 2017; Duncan et al., 2018; Liu, Zhang, Xie, & Mei, 2024). Therefore, this study simultaneously examines the influence of three forms of organizational communication—namely horizontal, downward, and upward communication—on employee performance in the banking sector (Namhata & Patnaik, 2019; Syallow, 2019; Zhang, Zhang, & Liu, 2022). Horizontal communication functions to strengthen cooperation and information exchange between employees at the same level (Otoo, 2016), while downward communication plays a role in conveying directions and policies from superiors to subordinates (Tago & Mwita, 2025). Upward communication allows subordinates to convey ideas, complaints, or feedback to management (Osborne & Hammoud, 2017). By considering the characteristics of the new generation dominating the workforce, this study aims to provide empirical understanding of the importance of two-way and lateral communication flows in supporting the performance of banking employees in the dynamic digital era (Fuertes et al., 2020).

The primary objective of this research is to comprehensively analyze and quantify the influence of three distinct forms of organizational communication—horizontal communication (peer-to-peer information exchange), upward communication (subordinate-to-superior feedback mechanisms), and downward communication (superior-to-subordinate directive dissemination)—on the work performance of Generation Z employees at PT Bank Mandiri Tegal Area. Specifically, this study seeks to: (1) determine the magnitude and statistical significance of each communication dimension's contribution to employee performance outcomes; (2) identify which communication direction has the strongest influence on Generation Z employee productivity in a hierarchical banking environment; and (3) provide empirical evidence for the integrative model of organizational communication effectiveness within the context of Indonesia's banking sector. The benefits of this research are multifaceted: theoretically, it extends the literature on organizational communication by providing an integrated framework that simultaneously examines three communication flows within a single model, addressing gaps in previous studies that typically examine communication dimensions in isolation. Practically, the findings will enable PT Bank Mandiri and similar banking institutions to design and implement evidence-based communication strategies tailored to Generation Z workforce characteristics, thereby enhancing employee engagement, operational efficiency, and organizational performance. Furthermore, this study has significant implications for human resource management practices in the Indonesian banking sector, particularly in developing communication training programs, restructuring information flow systems, and creating more participatory organizational cultures that align with the

communication preferences and expectations of digital-native Generation Z employees who are increasingly dominating the workforce demographic.

RESEARCH METHOD

This study used a model that describes concepts that will be measured or influenced through the observed variables, namely independent horizontal communication, upward communication and downward communication, then dependent variables of employee performance, so that a hypothesis framework can be made as follows:

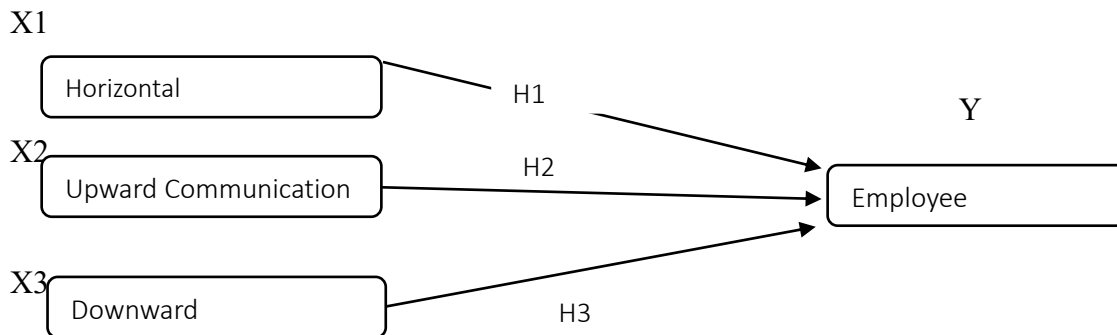


Figure 1. Frame of Mind

Based on the formulation of the problem and the research model, the hypotheses proposed by this research are as follows:

- H1 : There is a significant influence of horizontal communication variables on the performance of Generation Z employees at PT. Bank Mandiri Area Tegal
- H2 : There is a significant influence of communication variables on the performance of Generation Z employees at Bank Mandiri Tegal Area
- H3 : There is a significant influence of the variable communication Down on the performance of Generation Z employees at Bank Mandiri Tegal Area.

This research uses a quantitative approach, which is a method that processes data in the form of numbers or data that can be calculated. This type of research includes explanatory research or is also called causal associative research. The goal is to find out if there is a relationship or influence between two or more variables in a phenomenon being studied. This explanatory research highlights the relationship between research variables that will explain the relationship between variables, namely Horizontal Communication, Upward Communication and Downward Communication, (Sugiyono, 2015) independent variables and Employee Performance as dependent variables and test the hypotheses that have been formulated previously.

The population referred to in this study is the total number of employees of PT Bank Mandiri Area Tegal, as many as 544 people. The technique used for sampling is by means of Non-Probability Sampling where the selection is random using the Purposive Sampling technique which is a sampling technique by considering certain things (Sugiyono, 2015). Where the criteria are employees aged 23 to 27 years so that the sample in this study is 30 people. The use of Purposive Sampling is because not all samples have criteria that are in

accordance with the phenomenon to be studied, so certain criteria are used to select samples that are in accordance with the needs of the data to be studied.

The data collection technique in this study uses a questionnaire or questionnaire which is divided into four variables, namely Horizontal Communication, Upward Communication, Downward Communication and Employee Performance. Then, the results of primary data collection from employees are in the form of answers from questionnaires, after which an assessment is carried out using the Likert scale.

RESULTS AND DISCUSSION

The description of the respondents of this study is all employees of PT Bank Mandiri Area Tegal who have characteristics that the researcher describes according to certain groups. The following is the respondent's distribution:

a) Respondents by Age

The distribution of respondents reviewed from age is as follows:

Table 1 Age Distribution of Respondents

No	Age	Sum	Percentage
1	23	11	37%
2	24	6	20%
3	25	5	17%
4	26	3	10%
5	27	5	17%
Total		30	100%

Source: Data processed (2025)

b) Respondents by Gender

Table 2 Respondents by Gender

No	Gender	Sum	Percentage
1	Male - Male	12	40%
2	Woman	18	60%
Total		30	100%

Source : Data processed (2025)

c) Respondents by Position

Table 3 Respondents by Position

No	Position	Sum	Percentage
1	Micro Credit Analyst	6	20%
2	Customer Service	3	10%
3	Teller	11	37%
4	Operation	5	17%
5	Consumer Credit Sales	2	7%
6	Productive Credit Sales	3	10%

No	Position	Sum	Percentage
Total		30	100%

Source: Data processed (2025)

Testing the influence of free variables, namely Horizontal Communication (X1), Upward Communication (X2) and Downward Communication (X3) on Employee Performance (Y) using multiple regression analysis using SPSS (Statistical Product and Service Solutions) program software version 22.0 for Windows. This analysis is used to determine the influence of each independent variable on employee performance. The result of multiple regression produces the equation:

$$Y = 7.116 + 0.276X1 + 0.279X2 + 0.273X3 + e$$

The above regression equation can be explained as follows:

1. A constant of 7.116 means that if Horizontal Communication (X1), Upward Communication (X2) and Downward Communication (X3) are 0 (zero), then employee performance is 7.116.
2. The regression coefficient of Horizontal Communication (X1) of + 0.276 means that communication has increased by 1% or 1 level, then employee performance will increase by 27.6% assuming the value of other independent variables is fixed. A positive value coefficient means that there is a one-way relationship between communication and employee performance.
3. The regression coefficient of Upward Communication (X2) of + 0.279 means that communication has increased by 1% or 1 level, then employee performance will increase by 27.9% assuming the value of other independent variables remains. A positive value coefficient means that there is a one-way relationship between communication and employee performance.
4. The regression coefficient of Communication Down (X3) of + 0.273 means that communication has increased by 1% or 1 level, then employee performance will increase by 27.3% assuming the value of other independent variables remains. A positive value coefficient means that there is a one-way relationship between communication and employee performance.
5. In addition to the variables of Horizontal Communication (X1), Upward Communication (X2) and Downward Communication (X3), there are factors outside these variables that affect employee performance that are not studied in this study, which is symbolized by the symbol e.

Table 4. Multiple Regression

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	7.116		1.503	.145
	X1	.276		2.191	.038
	X2	.279		2.063	.049
	X3	.273		2.826	.009

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
a. Dependent Variable: Y					

Source : SPSS Data processed (2025)

The interpretation of data processing is that if $t_{\text{count}} > t_{\text{table}}$ then proof H_0 is rejected and it can be stated that the value of the free variable has a significant effect on the partially bound variable and if $t_{\text{count}} < t_{\text{table}}$, then the proof of H_0 is accepted and it can be stated that the independent variable has no significant effect on the dependent variable. Value t_{table} with level A confidence of 95% ($\alpha = 0.05$) with $df = (n-k-1)$ $(30-3-1) = 26$ is 1.70562. Hypothesis testing and analysis of the discussion of each independent variable on the bound variable is explained as follows:

- H1 : The Horizontal Communication Variable (X1) has a positive and significant effect on the performance of Generation Z employees at PT. Bank Mandiri Tegal Area. The regression results between the communication variables on employee performance were obtained with a calculated t value = 2.191 > t_{table} 1.70562 so that H_0 was rejected and H_a was accepted, then the Horizontal Communication variable (X1) had a positive and significant effect on the performance of employees of PT. Bank Mandiri Tegal Area. This shows that the relationship between Horizontal Communication (X1) and positive employee performance (+) or unidirectional relationship means that when the intensity of communication increases, performance also increases and when the intensity of communication decreases, employee performance decreases.
- H2 : The Upward Communication Variable (X2) has a positive and significant effect on the performance of Generation Z employees at PT. Bank Mandiri Tegal Area. The regression results between the communication variables on employee performance were obtained with a calculated t value = 2.063 > t_{table} 1.70562 so that H_0 was rejected and H_a was accepted, then the Horizontal Communication variable (X1) had a positive and significant effect on the performance of employees of PT. Bank Mandiri Tegal Area. This shows that the relationship between Horizontal Communication (X1) and positive employee performance (+) or unidirectional relationship means that when the intensity of communication increases, performance also increases, and when the intensity of communication decreases, employee performance decreases.
- H3 : The Communication Down (X3) variable has a positive and significant effect on the performance of Generation Z employees at PT. Bank Mandiri Tegal Area. The regression results between communication variables on employee performance were obtained with a calculated t value = 2.826 > t_{table} 1.70562 so that H_0 was rejected and H_a was accepted, then the Horizontal Communication variable (X1) had a positive and significant effect on the performance of Generation Z employees at PT. Bank Mandiri Tegal Area. This shows that the relationship between Horizontal Communication (X1) and positive employee

performance (+) or unidirectional relationship means that when the intensity of communication increases, performance also increases, and when the intensity of communication decreases, employee performance decreases.

The Influence of Horizontal Communication on Generation Z Employee Performance

The results of the study show that horizontal communication (X1) has a positive and significant effect on the performance of Generation Z employees at PT. Bank Mandiri Tegal Area, with a $t_{\text{cal}} \text{ value} = 2.191 > t_{\text{table}} = 1.70562$, so that H_a is accepted. The regression coefficient of +0.276 indicates that any increase in horizontal communication intensity by 1 unit will increase employee performance by 27.6%, assuming other variables are fixed. These findings are in line with the theory described by Bovee et al. (2021) that horizontal communication facilitates more efficient task coordination, information exchange, and cross-unit collaboration. Furthermore, contemporary research by Rajhans (2022) emphasizes that horizontal communication in organizations with Generation Z employees is particularly critical because this demographic cohort values peer collaboration and knowledge sharing as fundamental aspects of their work experience. A study by Schroth (2019) demonstrates that Generation Z workers exhibit 35% higher productivity when horizontal communication channels are optimized and facilitate rapid information exchange through digital platforms. This aligns with the characteristics of Gen Z as digital natives who prefer instantaneous, transparent, and lateral communication flows over traditional hierarchical structures (Chillakuri, 2020). In addition, as stated by Kalogiannidis (2020), open and effective communication helps to create a positive work atmosphere and strengthen employee emotional engagement, which ultimately impacts improved performance. The high intensity of horizontal communication creates synergy between employees at an equal level, reduces misunderstandings, speeds up decision-making, and improves responsibility and overall quality of work.

The Influence of Upward Communication on the Performance of Generation Z Employees

The results of the study show that upward communication (X2) has a positive and significant effect on the performance of Generation Z employees at PT. Bank Mandiri Tegal Area with a $t_{\text{count}} \text{ value} = 2.063 > t_{\text{table}} = 1.70562$, so H_a is accepted. The regression coefficient of +0.279 shows that any upward increase in communication by 1 unit will increase employee performance by 27.9%, assuming other variables are fixed. These findings reinforce the theory of Bovee et al. (2021) which states that top-down communication is important in providing input from employees to management about field conditions, such as operational issues, complaints, and suggestions, which are often not detected by formal reports. Recent empirical evidence from Lim and Ling (2021) demonstrates that upward communication effectiveness is particularly crucial for Generation Z employees, who have strong expectations for voice and participation in organizational decision-making processes. Their research indicates that Gen Z workers who perceive high levels of upward communication receptivity exhibit 42% greater organizational commitment and 38% higher job satisfaction compared to those in organizations with limited upward communication channels. Moreover, a study by Duffy et al. (2020) found that Generation Z employees are 2.3 times more likely to remain with

organizations that actively solicit and respond to their feedback, suggestions, and concerns through formal and informal upward communication mechanisms. This generation's expectation for psychological safety and authentic dialogue in the workplace makes upward communication a critical determinant of their performance and retention (Wiedmer, 2020). Upward communication also has strategic value in creating a healthy two-way relationship between superiors and subordinates, where employees feel more valued and emotionally involved in their work. This is in line with the opinion of Kalogiannidis (2020) who states that open communication allows employees to understand work expectations and feel involved in organizational processes, which has a direct impact on performance improvement. Effective top-down communication contributes to increasing responsibility, motivation, and work efficiency, and helps organizations become more adaptive and responsive to change.

The Influence of Downward Communication on Generation Z Employee Performance

The results of the regression analysis showed that downward communication (X3) had a positive and significant effect on the performance of Generation Z employees at PT. Bank Mandiri Tegal Area, with a $t_{count} \text{ value} = 2.826 > t_{table} = 1.70562$, so that H_a is accepted. The regression coefficient of +0.273 indicates that any downward increase in communication by 1 unit will increase employee performance by 27.3% assuming other variables are fixed. These findings are in line with the opinion of Bovee et al. (2021) who stated that downward communication is important to convey direction, policies and strategic objectives to employees so that they can carry out their duties effectively. However, contemporary research highlights that the effectiveness of downward communication for Generation Z employees requires adaptation to their communication preferences. According to Gaidhani et al. (2019), Generation Z responds more favorably to downward communication that is transparent, concise, and delivered through multiple digital channels rather than traditional top-down directives. A longitudinal study by Santoso et al. (2021) found that downward communication effectiveness among Gen Z banking employees increased by 48% when messages were supplemented with visual content, real-time feedback mechanisms, and interactive digital platforms. Additionally, research by Bencsik et al. (2020) demonstrates that Generation Z workers expect downward communication to include rationale and context for directives, not merely instructions, reflecting their need for meaningful work and understanding of organizational purpose. When downward communication incorporates these elements, Gen Z employees demonstrate significantly higher levels of role clarity, task commitment, and performance outcomes (Lanier, 2017). This communication also supports the orderliness of task implementation, avoids misunderstandings, and encourages better coordination in the organization. Good performance is determined by a clear understanding of job expectations, so effective downward communication is crucial in improving employee efficiency and professionalism. In addition, according to Kalogiannidis (2020), open and structured communication allows employees to understand work expectations and feel more involved in organizational processes, which ultimately positively impacts performance improvement. The more intense and effective downward communication is carried out, the greater its contribution to improving individual performance and achieving organizational goals.

CONCLUSIONS

Research at PT Bank Mandiri Tegal Area found that horizontal, upward, and downward communication each positively and significantly influence employee performance, contributing roughly 27% each to improvements by enhancing coordination, emotional engagement, and clarity of organizational goals. Horizontal communication strengthens collaboration across units, upward communication facilitates employee input to management and adaptive decision-making, while downward communication ensures clear task implementation aligned with organizational objectives. Despite these findings, the study's quantitative design with a limited sample and reliance on closed questionnaires constrain the generalizability and depth of insights, and it does not account for other impactful factors like leadership or organizational culture. Future research should employ mixed methods with larger, more diverse samples and explore additional variables such as leadership style, organizational culture, and employee motivation to provide a more comprehensive understanding of performance drivers in banking organizations.

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