

Research on the Relationship between Internal Company Events and Work Performance

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Abstract

Internal company events, a form of communication that takes place outside of work hours in Japanese companies, were linked to work performance and a sense of belonging and attachment to the company 50 years ago. Today, however, with the increase in social networking and other means of communication, many employees do not want to participate in internal company events, and it is said that such events do not necessarily lead to improved work performance. In this paper, we examine the relationship between internal company events and work performance based on the results of a questionnaire survey. The results showed that employees who were more willing to participate in company events were more satisfied with their relationships with their superiors and subordinates, and their work performance was higher. A correlation was found between satisfaction with relationships and attachment to the company. Among internal company events, participation in events involving alcohol consumption was found to be higher.

Keywords: attachment, internal company events, performance management, satisfaction

1 Introduction

1.1 Performance Management

In this paper, we aim to clarify the relationship between internal company events and work performance by examining questionnaire data to determine whether they are linked to employees' attachment to the company.

In recent years, global companies in the U.S. and venture companies in Japan have introduced the concept of "performance management," questioning the traditional approach to human resource evaluation. Researchers have variously defined "performance management." Takahashi defines it as "the feedback of evaluation data on job performance for the purpose of improving individual results, as well as the active use of coaching techniques in the process of data interpretation and goal setting" [1]. Takahashi's definition is a management technique that emphasizes communication in the work environment, including supervisors, subordinates, and colleagues. In "performance management," there is a need to increase the frequency of communication between supervisors and subordinates. In this communication, managers should provide real-time feedback in order to achieve goals. And managers need to provide support and coaching for the development of their subordinates. Managers are expected to conduct such communication, but first, they need to increase the opportunities for communication between managers

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and subordinates.

However, communication between managers and subordinates is not so well conducted. According to a study by Kumagai et al., a survey of approximately 1,200 employees in private companies and local governments revealed that 40.5% of the respondents had "one or less meetings" (once a week), followed by "none" (27.9%) and "two to the number of meetings (per week) was 40.5%, followed by "none" (27.9%) and "2 to 3 times" (20.5%). As for the frequency of interaction outside of work hours (per month), "none" was the most frequent (43.8%), followed by "once or less" (39.7%). Furthermore, when the time and content of communication were tested among the three groups of managers, coworkers, and subordinates, all three groups reported "less than 5-15 minutes," with a high percentage of "less than 5 minutes" and "not talking" for managers, revealing that communication with managers was short [2].

As one approach to changing this situation, internal company events are attracting attention. In Japan, Vogel notes that year-end parties, farewell parties, and company trips (to see the cherry blossoms) are held to create a sense of belonging and attachment to the company. Traditionally, internal company events have been important for internal communication. However, many people are too busy with their work to create a situation where they can communicate with each other. In addition, with the development of tools such as e-mail and chat, only necessary requirements are often communicated. Therefore, it can be said that the relationship building through communication is inadequate in some aspects. By participating in internal company events, it is expected that relationships will be deepened through communication among staff members. It may also lead to organizational integration, increased staff motivation, and reduced turnover. However, it is not clear whether communication through participation in internal company events is effective, since there are a certain number of people who do not like to participate in such events.

1.2 Social Change

Japanese companies employ their workers on a permanent basis, and a seniority-based wage system is widely adopted. This employment system allows employees to work with peace of mind over the long term, and although wages are low when they are young, they can expect to receive wages that are in line with their life plans to cover the large amount of housing and tuition expenses for their children that will arise around age 50. Even if they fail on the job, they are unlikely to be fired unless the failure is very arbitrary. Therefore, the company and the employee, as well as the relationship between the employees, have established a system based on the assumption that the relationship will last for a long period of time. Companies offer a variety of benefits to their employees to encourage them to stay with the company longer. For example, company housing for singles and families, retirement benefits based on years of service, and so on. Employees form in-house labor unions and work with the company to determine labor practices and collective bargaining agreements that facilitate long-term employment. For example, the number of days of paid vacations and a system to accumulate paid vacations in accordance with the number of years of service. Among employees, because they will work for the same company for a long period of time until retirement, employees need to be rotten about building good relationships with each other. During weekdays, the same employees see each other almost every day for more than 30 years, or they continue to feel connected to each other in some way. Even in their private time, they sometimes work together at various banquets or on company trips. They are like a family. The way senior employees often take care of junior employees is like "taking care of them like a mother. They also listen to the concerns

of younger employees and consult with them privately so as not to embarrass them in front of everyone. Drinking after work hours is often used as a place to listen to such concerns. Through these repetitions, a strong sense of solidarity and good human relations are formed among employees. At the same time, they foster a sense of belonging and attachment to the company [3].

This long-term employment system and seniority-based wage system contributed greatly to the development of Japanese companies in the postwar period. It made it possible to secure a large amount of young and cheap labor compared to the target Western markets. In the postwar period, when labor-intensive industrial products were the mainstream, the most important management issue was to secure young, cheap, and hard-working employees who could lower the labor cost to product cost ratio. Employees' abilities improved remarkably through on-the-job training (OJT) within the company. In order to retain such employees for a long period of time, companies offered the above-mentioned benefits.

On the other hand, the number of non-regular employees, to whom the traditional forms of employment do not apply, is expanding: from 2002 to 2021, the number of regular employees remained between 33 and 35 million, while the number of non-regular employees increased by 6.24 million, from 14.51 million to 20.75 million [4]. The wage system for non-regular employees is not based on a seniority-based wage system, but rather on the nature of the work. In addition, they serve as an adjustment valve for labor costs depending on the economy, and are often offered early termination of employment when corporate performance deteriorates. Because irregular employees are rarely employed by the same company for longer than five years, it is not reasonable to try to maintain relationships with them as in the case of conventional regular employment. SNS is a relatively new means of communication, and there is a large generational gap in how to use it effectively compared to face-to-face communication. However, SNS is a convenient and useful means of communication. However, there is no doubt that SNSs are a convenient and useful means of communication. Due to the substantial increase in employee wages since the 1980s and the appreciation of the yen, the manufacture of labor-intensive industrial products has shifted from Japan to Southeast Asian countries, including South Korea and China. In addition, Japan's population structure is aging, with a declining birthrate, and the working-age population is becoming older with higher wage levels.

The "company people" of Japanese companies in the 1960s and 1970s, as surveyed by Vogel, and the social situation of employees in Japanese companies 50 years later, in the 2010s and 2020s, are very different, as described above.

This paper will use survey data on internal company communication to confirm the effectiveness of internal company events and whether or not they increase attachment to the company, and will also use the results of these analyses to analyze the impact of different attributes, such as generation and position.

2 Hypotheses

As noted in 1.2, the social situation of employees in large Japanese companies at the time of Vogel's research and the current situation has changed significantly. Fifty years have passed, and with the development of communication tools such as SNS, it is now possible to communicate not only face to face but also online through smartphones. On the other hand, the way of communication in companies has not changed significantly in the past 50 years. For example, the typical way of communicating in private time in Japanese companies is through drinking parties, which are still attended by 65 to 75% of the employees [5]. However, among the

younger generation, many employees do not want to participate in drinking parties if possible. With such changes in society, internal company events such as drinking parties may no longer be the driving force to improve performance. In the same way, internal company events may no longer be linked to a sense of attachment to the company.

H1: Internal company events are not a causal factor to work performance.

H2: Internal company events may no longer lead to attachment to the company.

At the same time, however, it is said that there is a tendency to place value on having real-life experiences, which cannot be experienced through social networking interactions. As the importance of customer experience has been emphasized, it is believed that actually meeting and communicating with people at internal company events will deepen relationships and improve relationship satisfaction. Thus, the following hypothesis holds

H3: Internal company event participation has a positive impact on relationship satisfaction.

The above three hypotheses will be verified by analyzing the survey data. Based on the verification results, we will also conduct attribute comparisons and other analyses, and discuss the results.

3 Data and Analysis Method

3.1 Data

The survey analyzed was a survey on internal communication conducted in 2019 by ASMARQ Co, Ltd. A summary of the questionnaire is shown in Table 1. The survey was conducted via the Internet [6].

The questionnaire consists of 10 major items and 29 minor items. Responses are used in direct numerical form, such as age and number of firms joined. The satisfaction level was calculated using a 5-point Likert scale, the degree of participation in internal company events was calculated using a 4-point scale, attachment to the company was calculated using a 7-point scale, and changes in job performance were calculated using a 3-point scale.

Table 1: A summary of the questionnaire

Subject of a survey	Male and female employed persons in their 20s or older throughout Japan
Allocation	Sexual age parity
Survey period	March 25- April 24, 2019
Number of valid collections	400

3.2 Analysis method

In this study, verification was performed using the Jonckheere-Terpstra Test. The Jonckheere-Terpstra Test is a method of testing whether or not the mean values tend to increase

(decrease) when comparing three or more groups. This is used when the test groups are ordered. Specifically, we test the following null and alternative hypotheses.

$$H_0: \theta_1 = \theta_2 = \dots = \theta_k$$

$$H_1: \theta_1 \leq \theta_2 \leq \dots \leq \theta_k$$

In Hypothesis 1, the Jonckheere-Terpstra Test was performed by calculating the average value of the impact on the performance of the company event for each of the 4 levels of responses to the question of intention to participate in the company event. This clarifies the relationship between intention to participate in internal events and performance.

In Hypothesis 2, the Jonckheere-Terpstra Test was performed by calculating the average value of attachment to the company for each of the 4 levels of responses to questions about intention to participate in company events. This clarifies the relationship between the intention to participate in company events and attachment to the company.

For Hypothesis 3, the Jonckheere-Terpstra Test was performed by calculating the average satisfaction with colleagues, superiors, and subordinates for each of the 4 levels of responses to questions about intention to participate in company events. This clarifies the relationship between the intention to participate in company events and human relationships such as colleagues, superiors, and subordinates.

For these tests, the threshold of 5% significance was used.

4 Results

Table 2 shows the test results for H1. Table 2 shows the mean and standard deviation of work performance for each response value of intention to participate in internal company events such as New Year's parties and welcome parties. The results showed that the greater the willingness to participate in the new year/year-end party, the better the impact on work performance. As for the welcome party/farewell party, an increase in the intention to participate resulted in a better impact on work performance.

From the test results, H1, "In-house events are no longer leading to performance improvement," was rejected. In other words, it was found that employees who had a strong intention to participate in company events had higher work performance.

The test results for H2 are shown in Table 3. Table 3 shows the mean and standard deviation of attachment to the company for each response value of willingness to participate in internal company events such as New Year's parties and welcome parties. As the intention to participate in the New Year's party/year-end party increased, the attachment to the company increased. As for the welcome party/farewell party, as the willingness to participate increased, the attachment to the company increased.

From the test results, H2, "In-house events may not lead to attachment to the company," was rejected. In other words, it was found that employees who had a strong desire to participate in in-house events were more attached to the company.

Test results for H3 are shown in Tables 4 to 6. Table 4 shows the mean and standard deviation of satisfaction with colleagues for each response value of intention to participate in internal company events such as New Year's parties and welcome parties. Table 5 shows the mean and standard deviation of the level of satisfaction with supervisors for each of the responses of

intention to participate in internal company events such as New Year's parties and welcome parties. Table 6 shows the mean and standard deviation of the level of satisfaction with subordinates for each response value of the intention to participate in internal company events such as New Year's parties and welcome parties. In Table 4, the higher the willingness to participate in the new year/year-end party, the higher the satisfaction with colleagues. In Table 5, the higher the intention to participate in the New Year's party/year-end party, the higher the level of satisfaction with the boss. In addition, regarding the welcome party/farewell party, the higher the intention to participate, the higher the satisfaction with the boss. In Table 6, the higher the willingness to participate in the new year/year-end party, the higher the level of satisfaction with subordinates. As for the welcome party/farewell party, the higher the willingness to participate, the higher the satisfaction with subordinates.

Based on the test results, H3, "participation in company events has a positive effect on satisfaction with human relationships," was approved. In other words, it was found that employees who had a strong desire to participate in company events were more satisfied with their relationships with their superiors and subordinates.

Table 2: Impact of corporate events on performance

		Average				SD				<i>p</i> value	
		1. I don't want to participate	2. I don't want to participate if possible	3. I want to participate as much as possible	4. I want to participate	1. I don't want to participate	2. I don't want to participate if possible	3. I want to participate as much as possible	4. I want to participate		
Q6-1	Intention to participate in internal events_New Year's party/Year-end party	1.753	1.987	2.293	2.700	0.518	0.441	0.497	0.458	0.000	***
Q6-2	Intention to participate in internal events_welcome party/farewell party	1.764	2.014	2.269	2.716	0.514	0.453	0.509	0.451	0.000	***

Note: *** indicates that the *p* value is less than or equal to 0.001.

Table 3: Impact of company events on company attachment

		Average				SD				p value	
		1. I don't want to participate	2. I don't want to participate if possible	3. I want to participate as much as possible	4. I want to participate	1. I don't want to participate	2. I don't want to participate if possible	3. I want to participate as much as possible	4. I want to participate		
Q6-1	Intention to participate in internal events_New Year's party/Year-end party	3.274	3.987	4.713	5.510	1.501	1.179	1.116	1.034	0.000	***
Q6-2	Intention to participate in internal events_welcome party/farewell party	3.222	4.068	4.688	5.526	1.465	1.102	1.174	1.045	0.000	***

Note: *** indicates that the p value is less than or equal to 0.001.

Table 4: Impact of company events on coworker satisfaction

		Average				SD				p value	
		1. I don't want to participate	2. I don't want to participate if possible	3. I want to participate as much as possible	4. I want to participate	1. I don't want to participate	2. I don't want to participate if possible	3. I want to participate as much as possible	4. I want to participate		
Q6-1	Intention to participate in internal events_New Year's party/Year-end party	3.014	3.307	3.736	4.052	1.014	0.909	0.737	0.741	0.000	***
Q6-2	Intention to participate in internal events_welcome party/farewell party	2.941	3.338	3.772	4.011	0.998	0.926	0.762	0.726	0.000	***

Note: *** indicates that the p value is less than or equal to 0.001.

Table 5: Impact of company events on boss satisfaction

		Average				SD				<i>p</i> value	
		1. I don't want to participate	2. I don't want to participate if possible	3. I want to participate as much as possible	4. I want to participate	1. I don't want to participate	2. I don't want to participate if possible	3. I want to participate as much as possible	4. I want to participate		
Q6-1	Intention to participate in internal events_New Year's party/Year-end party	2.397	2.961	3.527	3.811	1.107	1.025	0.822	0.862	0.000	***
Q6-2	Intention to participate in internal events_welcome party/farewell party	2.333	2.973	3.531	3.822	1.041	1.046	0.836	0.851	0.000	***

Note: *** indicates that the *p* value is less than or equal to 0.001.

Table 6: Impact of company events on subordinate satisfaction

		Average				SD				<i>p</i> value	
		1. I don't want to participate	2. I don't want to participate if possible	3. I want to participate as much as possible	4. I want to participate	1. I don't want to participate	2. I don't want to participate if possible	3. I want to participate as much as possible	4. I want to participate		
Q6-1	Intention to participate in internal events_New Year's party/Year-end party	2.680	3.051	3.583	3.875	1.009	0.832	0.702	0.837	0.000	***
Q6-2	Intention to participate in internal events_welcome party/farewell party	2.633	3.052	3.555	3.951	0.983	0.775	0.808	0.697	0.000	***

Note: *** indicates that the *p* value is less than or equal to 0.001.

5 Discussions

Here, we consider whether the hypotheses are correct based on the results.

As for H1, it was found that employees who had a strong intention to participate in company events had higher work performance. This is because, in an event involving drinking, the uplifting feeling caused by alcohol deepens the understanding of the other party. Since work in a company is usually done in an organization, it is thought that the understanding of the organization members contributes to the improvement of the organization's performance in ordinary work. This is consistent with what Vogel [3] points out, and it can be considered that Japanese companies continue to do so even now.

With regard to H2, it was found that employees who had a strong desire to participate in in-house events were more attached to the company. An increasing trend was seen in in-house events and attachment to the company associated with drinking. Therefore, it cannot be said that the attachment to the company is not necessarily connected. It becomes the same consideration as H1.

As for H3, it was found that employees who had a strong desire to participate in company events were more satisfied with their relationships with their superiors and subordinates. An increasing trend was seen in satisfaction with human relationships at all in-house events. The exuberance that accompanies drinking promotes conversation and other forms of communication among employees. The increased communication is thought to have increased satisfaction among employees. J. Golubović, V M. Milanović and A D. Bučalina Matić state that “direct and positive relationship between communication and employees’ satisfaction in the organization” [7] and the relationship between communication and employee satisfaction is reasonable.

6 Conclusion and Future Work

This time, we used the results of the questionnaire to analyze whether in-house events affect work performance, job satisfaction, and attachment to the company. As a result, it became clear that in-house events are related to performance, attachment to the company, and human relationships. However, the factors that make people want to attend events are unknown and should be clarified by other studies. Vogel also found that the behavior of Japanese company employees 50 years ago has not changed much from today.

The authors are researching the factors of employee engagement that are closely related to satisfaction. From the results of this study, it was significant that we were able to establish a guideline that should be studied from the viewpoint of the attachment that employees have to the company.

Acknowledgement

We thank ASMARQ Co, Ltd for providing the data.

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