



Analyzing the Causes and Consequences of Employee Unawareness of Organizational Policies

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ABSTRACT

Employee awareness of organizational policies is very important for the smooth functioning of any organization. When employees clearly understand the rules and guidelines, it helps maintain discipline, ensures compliance, and creates a positive work environment. However, in many organizations, employees are either not fully aware or do not clearly understand these policies, which creates various challenges.

This study focuses on understanding the main reasons behind this lack of awareness and its effects on both employees and the organization. Some of the common causes include poor communication, lack of proper training or orientation, complicated policy documents, and difficulty in accessing policy-related information. As a result, organizations may face issues like policy violations, lower productivity, legal complications, reduced employee involvement, and a weaker organizational culture.

The study uses a quantitative research approach, where data is collected from employees at different levels through a structured questionnaire. The findings show that improving communication, providing regular training, and simplifying policies can significantly increase employee awareness.

The study shows that, when employees are well-informed about organizational policies, it not only reduces risks but also improves their confidence, sense of responsibility, and overall performance. The study also suggests practical ways for organizations to communicate policies more effectively and ensure better understanding among employees.

Keywords: Employee Awareness, Organizational Policies, Communication Effectiveness, Training and Orientation

1. INTRODUCTION

In today's fast-paced work environment, organizations rely on clear policies to guide employee behavior, ensure fairness, and maintain smooth operations. When employees understand these policies, they feel more confident and work more effectively. However, just having policies is not enough. Many employees are not fully aware of them due to poor communication, limited training, complex documents, or difficulty in accessing information. This lack of awareness can lead to confusion, mistakes, reduced productivity, and lower confidence among employees. Therefore, it is important to understand the reasons behind this gap and its impact. This study focuses on identifying these issues and suggests ways to improve communication, training, and overall policy awareness within organizations.

**Review of Literature:**

Smith, A. & Rupp, W.T. (2002) studied the issue of employee unawareness of organizational policies and found that most policy violations are unintentional rather than deliberate. The research pointed out that poor communication and unclear policy sharing methods reduce employee understanding. As a result, employees often fail to follow rules correctly, leading to compliance issues within organizations.

Jones, G.R. & George, J.M. (2017) focused on the role of internal communication in organizations. Their study revealed that ineffective communication channels, inconsistent messaging, and lack of clarity are major reasons why employees do not fully understand policies. It was also found that employees often depend on informal sources of information, which increases confusion and the risk of errors.

Gupta, N. & Sharma, K. (2014) examined the impact of training on employee awareness. The study found that lack of proper training and irregular orientation programs are major causes of policy unawareness. It emphasized that training should not be a one-time activity but should include continuous learning and practical application to improve long-term understanding.

Nelson, D.L. & Quick, J.C. (2019) analyzed the effectiveness of training programs in organizations. Their findings showed that training without proper evaluation and feedback has very little impact on employee learning. The study suggested that structured and regularly assessed training programs are necessary to improve employee understanding of policies and procedures.

Thomas, K.W. & Velthouse, B.A. (2011) explored the role of human resource practices in employee engagement and awareness. The study highlighted that HR strategies such as onboarding, performance management, and continuous development programs play an important role in increasing employee awareness of organizational policies. Organizations that actively involve employees in learning processes tend to have higher awareness levels.

Harper, S. et al. (2018) examined the influence of organizational culture on employee behavior. The study found that a supportive and open culture encourages employees to understand and follow policies. In contrast, organizations with strict or fear-based environments discourage employees from asking questions, leading to lower awareness and more confusion.

Lee, Y. & Huang, X. (2015) studied the impact of leadership styles on employee understanding. The research showed that authoritarian leadership reduces employee willingness to clarify doubts, which negatively affects policy awareness. On the other hand, supportive and participative leadership improves communication and encourages learning.

Walsh, K. & Cooper, B. (2014) focused on perceived organizational support. Their study revealed that employees who feel valued and supported are more engaged and willing to understand organizational rules. This support increases trust and motivates employees to actively learn about policies.

Peterson, C. (2012) examined the role of motivation in employee behavior. The study found that motivated employees are more likely to seek information, ask questions, and understand policies clearly. This leads to better compliance and improved performance within organizations.

Recovery, R. & Zachary, P. (2018) analyzed psychological factors such as stress and workload. The study showed that high stress levels, time pressure, and cognitive overload reduce employees' ability to understand and remember policy information. This highlights the importance of considering employee well-being in policy communication.



Anderson, P. (2020) examined the complexity of policy documents. The study concluded that overly technical and lengthy policies reduce employee understanding, especially for non-managerial staff. Simplifying language and structure can help employees better understand and follow policies.

Smithson, J. & Stokes, R. (2019) explored the use of technology in policy communication. The study found that digital platforms such as intranets and knowledge systems improve accessibility and allow quick updates. However, their effectiveness depends on proper training and employee usage.

2. METHODOLOGY

This study uses a quantitative and descriptive research approach to understand why employees lack awareness of organizational policies and its effects. Primary data is collected through a structured questionnaire created using Google Forms, which includes Likert scale, demographic, and a few open-ended questions.

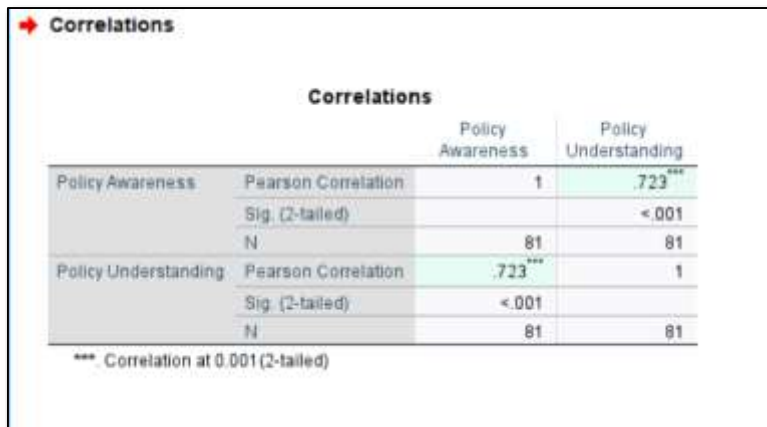
Responses are gathered from employees at different organizational levels using convenience sampling. The data is collected online and analyzed using simple tools like percentages, charts, and graphs to identify patterns and trends.

The study focuses on key factors such as communication, training, and policy accessibility and their impact on employee awareness. All responses are kept confidential and used only for academic purposes.

Although the study is limited by time, sample size, and possible response bias, efforts are made to ensure clarity, relevance, and reliability. The findings are used to draw conclusions and suggest practical ways to improve policy awareness in organizations.

3. MODELING AND ANALYSIS

Correlation Analysis : Policy Awareness – understanding



		Policy Awareness	Policy Understanding
Policy Awareness	Pearson Correlation	1	.723***
	Sig. (2-tailed)		<.001
	N	81	81
Policy Understanding	Pearson Correlation	.723***	1
	Sig. (2-tailed)	<.001	
	N	81	81

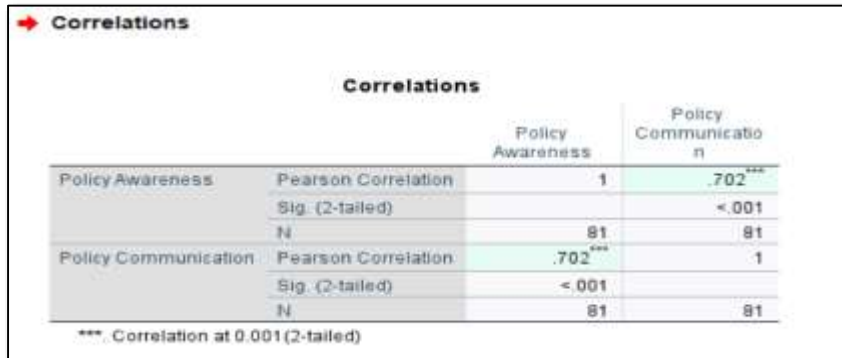
***. Correlation at 0.001 (2-tailed)

Figure 1 :Correlation b/w employee awareness and understanding policy

There is a strong positive relationship ($r = 0.723$) between policy awareness and policy understanding. This means that as employees become more aware of policies, their understanding also increases significantly. The result is statistically significant ($p < 0.001$), so it is highly reliable.



Policy Awareness -communication



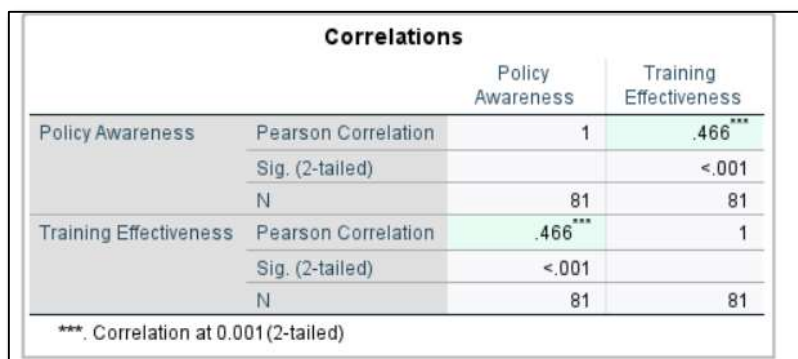
		Policy Awareness	Policy Communication
Policy Awareness	Pearson Correlation	1	.702***
	Sig. (2-tailed)		<.001
	N	81	81
Policy Communication	Pearson Correlation	.702***	1
	Sig. (2-tailed)	<.001	
	N	81	81

***. Correlation at 0.001 (2-tailed)

Figure 2: Correlation b/w policy awareness and communication

There is a strong positive relationship ($r = 0.702$) between policy awareness and policy communication. This means that when communication about policies improves, employees’ awareness also tends to increase significantly. The result is statistically significant ($p < 0.001$), so this relationship is reliable and not due to chance. In other words better communication leads to better understanding of policies.

Policy Awareness -training



		Policy Awareness	Training Effectiveness
Policy Awareness	Pearson Correlation	1	.466***
	Sig. (2-tailed)		<.001
	N	81	81
Training Effectiveness	Pearson Correlation	.466***	1
	Sig. (2-tailed)	<.001	
	N	81	81

***. Correlation at 0.001 (2-tailed)

Figure 3: Correlation b/w policy awareness and training

There is a moderate positive relationship ($r = 0.466$) between policy awareness and training effectiveness. This means that when training is more effective, employees tend to have better awareness of policies. The relationship is statistically significant ($p < 0.001$), so it’s reliable and not due to chance. This indicates better training leads to better understanding of policies, but the impact is moderate (not very strong).

Policy Awareness - HR support



		Correlations	
		Policy Awareness	HR Support
Policy Awareness	Pearson Correlation	1	.630***
	Sig. (2-tailed)		<.001
	N	81	81
HR Support	Pearson Correlation	.630***	1
	Sig. (2-tailed)	<.001	
	N	81	81

***. Correlation at 0.001 (2-tailed)

Figure 4: Correlation b/w policy awareness and HR support

There is a moderately strong positive relationship between Policy Awareness and HR Support ($r = 0.630$). This means that when employees perceive stronger HR support, they also tend to have higher awareness of policies. The relationship is statistically significant ($p < .001$), so it's very unlikely to have occurred by chance. With a sample size of 81, this finding is fairly reliable.

In simple terms: better HR support is strongly associated with better policy awareness among employees.

Correlation of policy awareness with respect to workload, rule violation, trust, confidence

		Correlations				
		Policy Awareness	Workload Barrier	Rule Violations Risk	Employee Trust	Work Confidence
Policy Awareness	Pearson Correlation	1	.037	.179	.181	.176
	Sig. (2-tailed)		.743	.109	.105	.115
	N	81	81	81	81	81
Workload Barrier	Pearson Correlation	.037	1	.383***	.334**	.411***
	Sig. (2-tailed)	.743		<.001	.002	<.001
	N	81	81	81	81	81
Rule Violations Risk	Pearson Correlation	.179	.383***	1	.595***	.567***
	Sig. (2-tailed)	.109	<.001		<.001	<.001
	N	81	81	81	81	81
Employee Trust	Pearson Correlation	.181	.334**	.595***	1	.721***
	Sig. (2-tailed)	.105	.002	<.001		<.001
	N	81	81	81	81	81
Work Confidence	Pearson Correlation	.176	.411***	.567***	.721***	1
	Sig. (2-tailed)	.115	<.001	<.001	<.001	
	N	81	81	81	81	81

***. Correlation at 0.001 (2-tailed)
 **. Correlation is significant at the 0.01 level (2-tailed).

Figure 5: Correlation of policy awareness with respect to workload, rule violation, trust, confidence

REGRESSION

H1: There is a significant relationship between communication effectiveness and employee awareness of organizational policies.

Dependent Variable (DV): Policy Awareness

Independent Variable (IV): Policy Communication

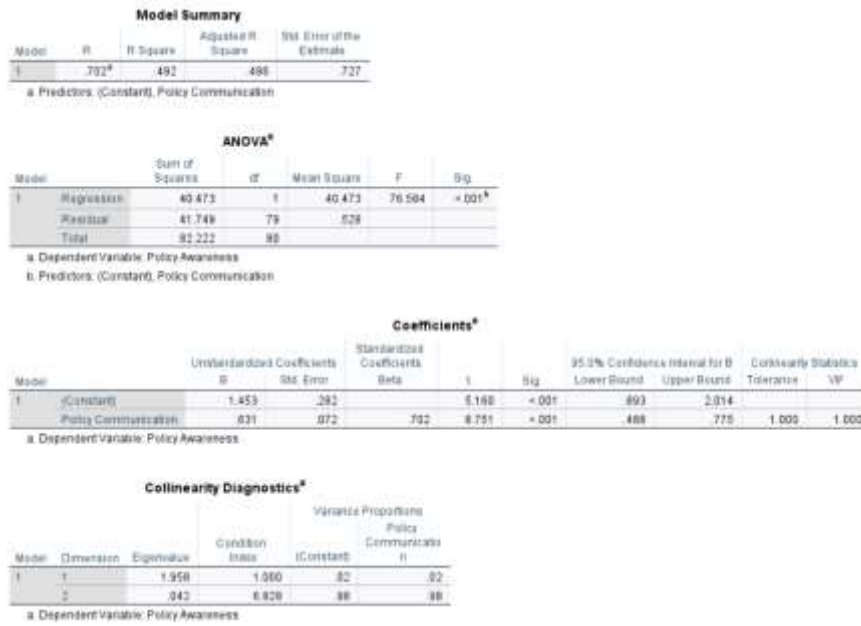


Figure 6: Regression relationship between communication effectiveness and employee awareness

There is a strong positive relationship between policy communication and employee awareness ($R = 0.702$). Communication explains about 49.2% of the variation in employee awareness ($R^2 = 0.492$). The model is statistically significant ($p < 0.001$), meaning the result is reliable. Policy communication has a significant positive impact on awareness ($\beta = 0.702$, $p < 0.001$). We accept the hypotheses.

H2: Training and orientation programs have a significant impact on employee awareness of organizational policies.

Dependent Variable (DV): Policy Awareness
Independent Variable (IV): Training Effectiveness

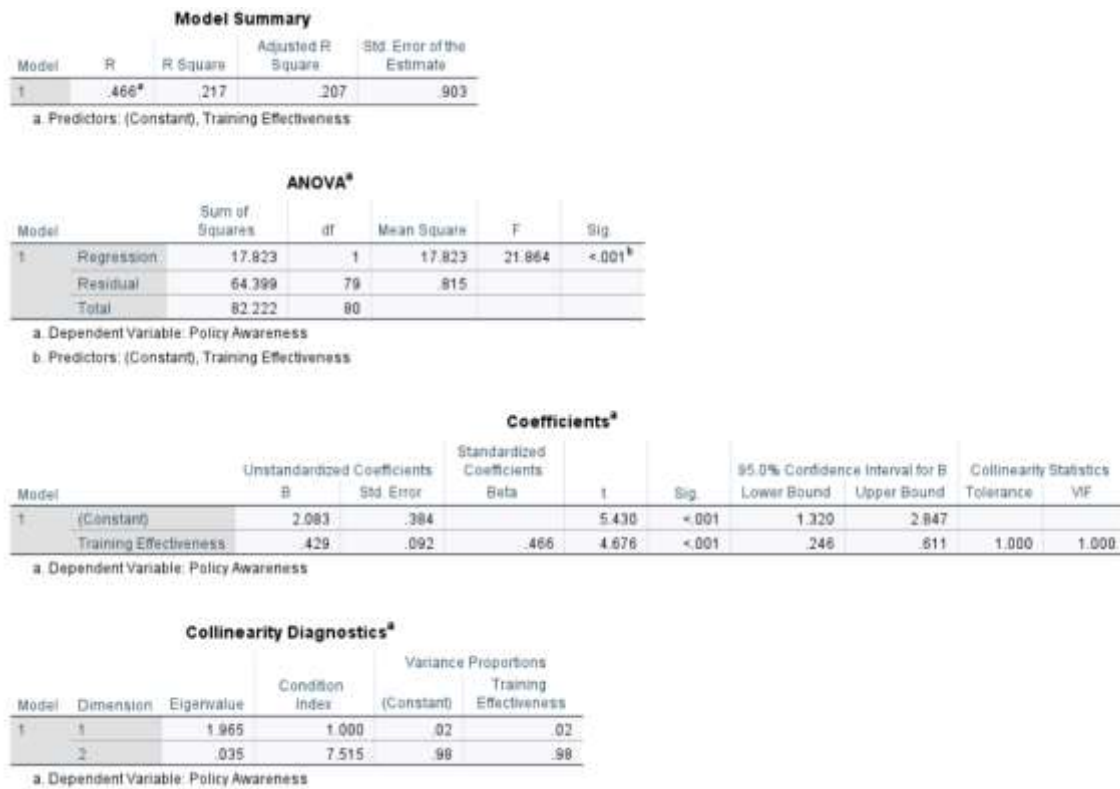


Figure 7: Regression relationship between training and employee policy awareness

There is a moderate positive relationship between training effectiveness and policy awareness ($R = 0.466$).

Training explains about 21.7% of the variation in employee awareness ($R^2 = 0.217$).

The model is statistically significant ($p < 0.001$).

Training effectiveness has a significant positive impact on awareness ($\beta = 0.466$, $p < 0.001$).

Training improves employee awareness, but the impact is moderate (not very strong). H2 is accepted.

H3: Accessibility of organizational policies (through digital platforms, portals, etc.) significantly influences employee awareness.

Multiple Regression

Dependent Variable (DV): Policy Awareness

Independent Variable (IV): Policy Accessibility, Digital access

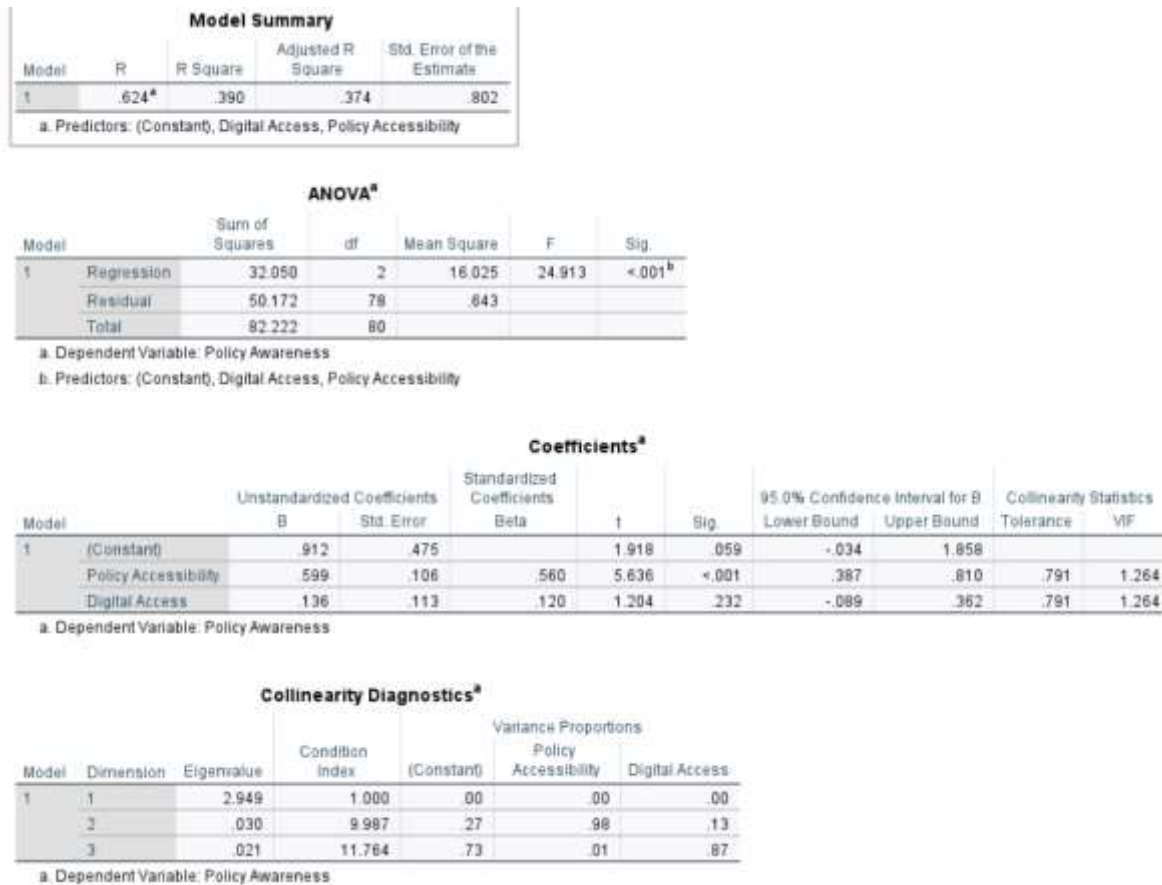


Figure 8: Regression relationship between accessibility and digital access on employee policy awareness

The model shows a moderate relationship with awareness (R = 0.624).
 Together, accessibility and digital access explain 39% of the variation in awareness (R² = 0.390).
 The model is statistically significant (p < 0.001).
 Policy Accessibility = Significant positive impact (β = 0.560, p < 0.001)
 Digital Access = Not significant (p = 0.232)
 Accessibility matters a lot in improving awareness
 Digital access alone does not have a strong impact
 H3 is partially accepted (only policy accessibility is significant)

H4: Employee awareness of organizational policies has a significant impact on employee performance and behavior.

Independent Variable (IV): Policy Awareness

Dependent Variable (DV): Work Confidence, Rule Violations Risk, Employee Trust

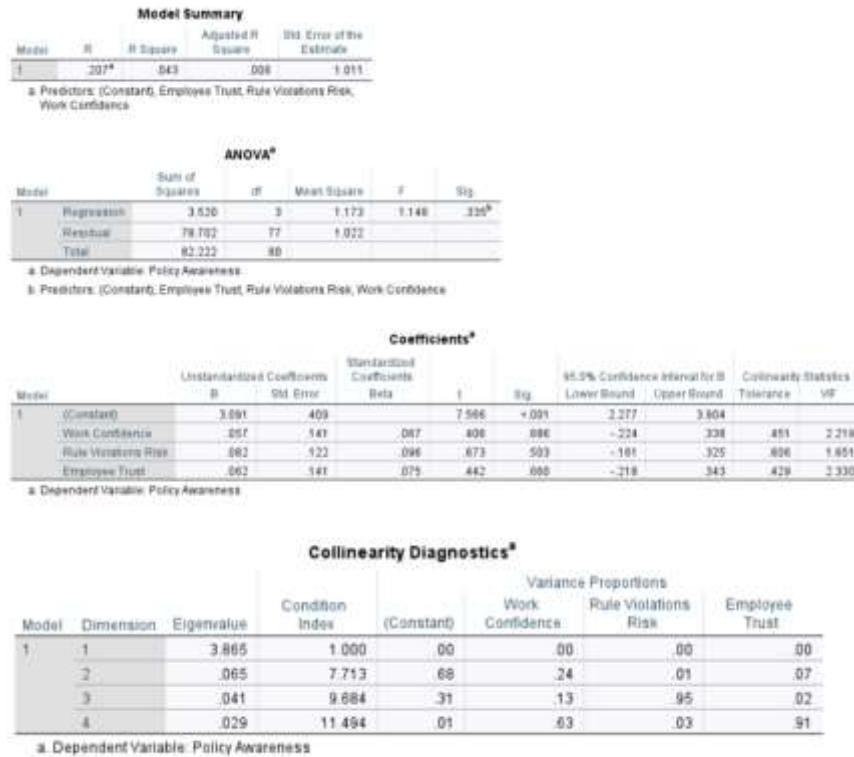


Figure 9: Regression relationship between employee policy awareness and work behavior

The model shows a very weak relationship ($R = 0.207$) and explains only 4.3% of variation ($R^2 = 0.043$).

The model is not statistically significant ($p = 0.335$).

Work Confidence = Not significant ($p = 0.686$)

Rule Violations Risk = Not significant ($p = 0.503$)

Employee Trust = Not significant ($p = 0.660$)

Employee awareness does not significantly impact performance/behavior variables in this model. H4 is rejected.

H5: There is a significant difference in policy awareness across different demographic groups (age, gender, job level, experience).

t-test (group differences)

➔ T-Test

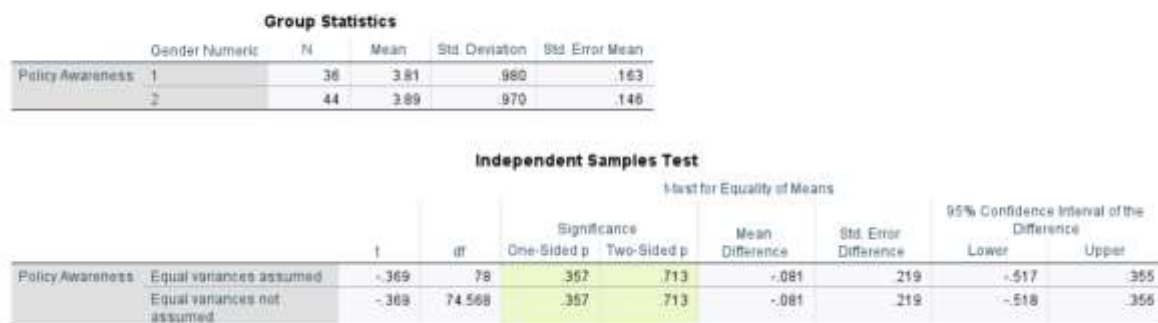


Figure 14: T test analysis

The average policy awareness is very similar between the two gender groups (3.81 vs 3.89).

The significance value ($p = 0.713$) is much higher than 0.05.

This means the difference is not statistically significant.



There is no meaningful difference in policy awareness based on gender. Employees, regardless of gender, seem to have a similar level of understanding of organizational policies.

Since no significant difference is found (at least for gender), H5 is not supported for this demographic factor.

4. RESULTS AND DISCUSSION

The study makes it clear that even when organizations have well-defined policies, many employees don't fully understand or stay aware of them. This gap mainly happens because policies are not always communicated clearly, training is limited, and employees sometimes find it difficult to access the information when they need it.

Out of all the factors, communication turns out to be the most important. When policies are explained in a simple and regular way, employees are more likely to understand and follow them. Training also helps, but it works best when it is ongoing and supported by good communication.

Another important point is that just putting policies online isn't enough. Employees prefer information that is easy to find and simple to read. If the documents are too long or complicated, people tend to avoid them.

When employees are not aware of policies, it can lead to confusion, mistakes, and a lack of confidence at work. At the same time, awareness alone doesn't completely determine performance, since factors like leadership and workplace culture also influence how employees behave.

Overall, this is not an issue limited to any one group it affects employees across all ages and backgrounds. This shows that organizations need to consistently work on improving awareness by communicating better, offering regular training, and keeping policies simple and accessible.

5. CONCLUSION

The study makes it clear that even when organizations have well-defined policies, many employees don't fully understand or stay aware of them. This gap mainly happens because policies are not always communicated clearly, training is limited, and employees sometimes find it difficult to access the information when they need it. Out of all the factors, communication turns out to be the most important. When policies are explained in a simple and regular way, employees are more likely to understand and follow them. Training also helps, but it works best when it is ongoing and supported by good communication. Another important point is that just putting policies online isn't enough. Employees prefer information that is easy to find and simple to read. If the documents are too long or complicated, people tend to avoid them. When employees are not aware of policies, it can lead to confusion, mistakes, and a lack of confidence at work. At the same time, awareness alone doesn't completely determine performance, since factors like leadership and workplace culture also influence how employees behave. Overall, this is not an issue limited to any one group it affects employees across all ages and backgrounds. This shows that organizations need to consistently work on improving awareness by communicating better, offering regular training, and keeping policies simple and accessible.

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