# Lesson 10
# Communication in Organizations

## Introduction

Communication is a very basic activity for human beings and it is a complex process which is essential in organisations to carry out various activities including decision-making. It is an important part of any managers' work and according to research findings, 78% of the activities of managers to communication and out of that 90% is verbal communication. Communication can take many different forms and it ranges from face to face verbal communication to e-conference. This lesson will fulfill these tasks.

## Learning Outcomes

➢ Describe the role and importance of communication in the manager's job.

➢ Identify basic forms of communication in organisations.

➢ Describe the role of digital communication in organisations.

➢ Discuss informal communication including its various forms and types.

➢ Describe how the communication process can be managed to recognise and overcome barriers.

## Lesson Outline

1.   What is Communication?

    1.1        Characteristics of Useful Information

2.   Forms of Communication in Organisations

    2.1        Interpersonal Communication

    2.2        Communication in Networks and Work Teams

    2.3        Organisational Communication

3.   Digital Communication in Organisations.

    3.1        Information Systems

    3.2        Personal Digital Technology

4.   Informal Communication

    4.1     The Grapevine

    4.2     Management by Wandering Around

    4.3      Nonverbal Communication

5. Management of Communication Process

    5.1        Barriers to communication

    5.2        Improving Communication Effectiveness

## 1. What is Communication?

A typical day for a manager includes doing desk work, attending scheduled meetings, placing and receiving phone calls, answering correspondence (both print and electronic), attending on scheduled meetings and making tours. Most of these activities involved communication. In fact, managers usually spend half of their time on some form of communication. Communication always involves two or more people, so other behavioural processes, such as motivation, leadership and group and team interactions all come in to play. Top executives must handle communication effectively if they are to be true leaders.

Communication is the process of transmitting information from one person to another. Effective communication then is the process of sending a message in such a way that the message received is as close in meaning as possible to the message intended.

Key element in effective communication is differentiating between data and information. Data are raw figures and facts reflecting a single aspect of reality. Information, meanwhile, is data represented in a way or form that has meaning.

### 1.1 Characteristics of Useful Information

What characteristics make the difference between information that is useful and information that is not useful? In general, information is useful if it is accurate, timely, complete and relevant.

Accurate

For information to be of real value to a manager, it must be accurate information. Accuracy means that the information must provide a valid and reliable reflection of reality.

Timely

Information also needs to be timely. Timeliness does not necessarily mean speediness; it means only that information needs to be available in time for appropriate managerial action. What constitutes timeliness is a function of the situation facing the manager.

Complete

Information must tell a complete story for it to be useful to a manager. If it is less than complete information, manager is likely to get an inaccurate or distorted picture of reality.

Relevant

Finally, information must be relevant if it is to be useful to managers. Relevant information, timely information, is defined according to the needs and circumstances of a particular manager. Operations managers need information on cost and productivity, human resource managers need information of hiring needs and turnover rates and marketing managers need information on sales projections and advertising rates.

## 2. Forms of Communication in Organisations

Managers need to understand several kinds of communication that are common in organizations today. This include interpersonal communication, networks and work teams organisational communication and electronic communication.

### 2.1 Interpersonal Communication

Interpersonal communication generally takes one of two forms: oral and written.

Oral communication

Oral communication takes place in conversations, group discussions, phone calls and other situations in which the spoken word is used to express meaning. Oral communication is so prevalent for several reasons. The primary advantage of oral communication is that it promotes prompt feedback and interchange in the form verbal questions or agreement, facial expressions and gestures. Oral communication is also easy and it can be done with little preparation.

However, oral communication also has drawbacks. It may suffer from problems of inaccuracy if the speaker chooses the wrong words to convey meaning or leaves out pertinent details, if noise disrupts the process, or if the receiver forgets part of the message. In a two way discussion, there is seldom time for a thoughtful, considered response or for introducing many new facts and there is no permanent record of what has been said.

Written Communication

"Putting it in writing" in a letter, report memorandum, handwritten note or e-mail can solve many of the problems inheritance in oral communication. The biggest single drawback of traditional forms of written communication is that they inhibit feedback and interchange. When one manager send another manager a letter, it must be written, typed, mailed, received, routed, opened and read. If there is a misunderstanding, take several days for it to be recognised, +let alone rectified. Although the use of emails, texts, instant messaging is of course, much faster, both sender and receiver must still have access to a computer or smartphone and the receiver must open and read the message for it to actually be received. A phone call could settle the whole matter in just a few minutes. Thus, written communication often inhibits feedback and interchange and is usually more difficult and time consuming than oral communication.

Of course, written communication offers some advantages. It is often quite accurate and provides a permanent record of exchange. The sender can take the time to collect and assimilate the information and can draft and revise it before it is transmitted. The receiver can take the time to read it carefully and can refer to it repeatedly, as needed. For these reasons, communication is generally preferable when important details are involved. At times, it is important to one or both parties to have written record available as evidence of exactly what took place.

Choosing the right form

Which form of interpersonal communication should the manager use? The best medium is determined by the situation. Oral communication or email or text may be preferred when the message is personal, non routine and brief. More formal written communication is usually best when the message is more impersonal, routine and longer. Then manager can also combine media to capitalise on the advantages of each. For example, a quick phone call to set up a meeting is easy and gets an immediate response. Following up the call with a reminder email or handwritten note helps to ensure that the recipient will remember the meeting and it provides a record of the meeting having been called.

### 2.2 Communication in Networks and Work Teams

A communication network is the pattern through which the members of a group or team communicate. Researchers studying group dynamics have discovered several typical networks in groups and teams consisting of three, four and five members.

According to figure 10.1, in the Wheel pattern, all communication flows through one central person, who is probably the group leader. In a sense, the wheel is the most centralised network because one person receives and disseminates all information. The Y pattern is slightly less centralised- two people are close to the centre. The chain offers a more even flow of information among members, although two people (the one at each end) interact with only one other person. This path is closed in the circle pattern. Finally, all the channel network, the most decentralized, allows a free flow of information among all group members. Everyone participates equally and the group's leader is not likely to have excessive power. Research conducted on networks suggests some interesting connections between the type of network and group performance.
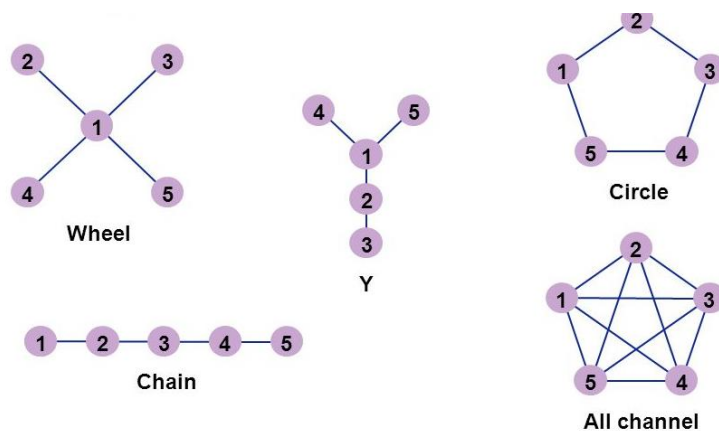


### 2.3   Organisational Communication

Still other forms of communication in organisations are those that flow among and between organisational units or groups. Each of these involves oral or written communication also exchange to broad patterns of communication across the organisation. As shown in figure 10.2 two of these forms of communication flow vertical and horizontal linkages in the organisation.

Vertical Communication

It is the communication that flows up and down the organisation, usually along formal reporting lines- that is, it is the communication that takes place between managers and their superiors

and subordinates. Vertical communication may involve only two people or it may flow through several different organisational levels.

Upward communication consists of messages from subordinates to superiors. The typical content of upward communication is requests, information that the lower level manager thinks is of importance to the higher level manager, responses to requests from the higher level manager, suggestions, complaints and financial information. Research has shown that upward communication is more subject to distortion than downward communication.

Downward communication occurs when information flows down the hierarchy from superiors to subordinates. The typical content of these messages is directives on how something is to be done, the assignment of new responsibilities, performance feedback and general information that the higher level manager thinks will be of value to the lower level manager.

Horizontal Communication

Whereas vertical communication involves a superior and a subordinate, horizontal communication involves colleagues and peers at the same level of the organisation. For example, an operations manager might communicate to a marketing manager that inventory levels are running low and that projected delivery date should be extended by two weeks. Horizontal communication probably occurs more among managers than among non managers.

This type of communication serves a number of purposes. It facilitates coordination among interdependent units. It can also be used for joint problem solving and it plays a major role in work teams with members drawn from several departments.
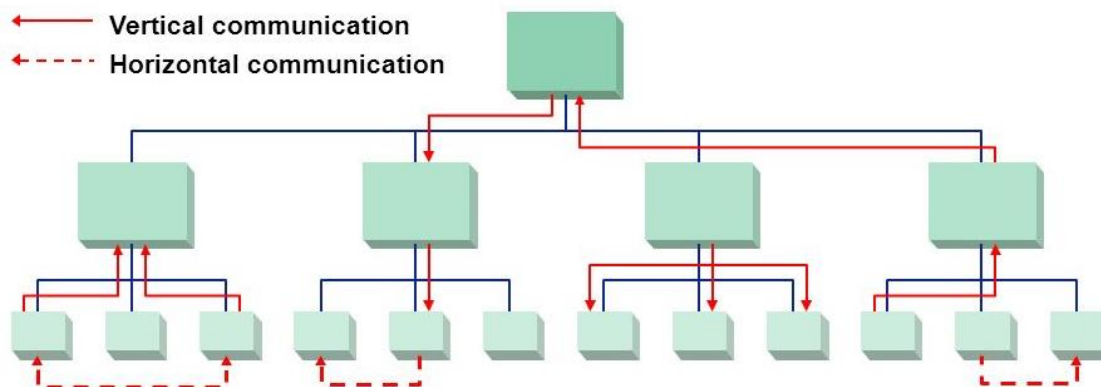


## 3.    **Digital Communication in Organisations**

An increasingly important form of organisational communication relies on Digital Communication Technology. Information technology (IT) consits of the resources used by an organisation to manage information that it needs to carry out its mission. Both formal information systems and personal information technology have reshaped how managers communicate with one another.

**3.1 Information Systems**

Advances in IT have made it increasingly easy for managers to use many different kinds of information systems. In this lesson, we discuss most common kinds of information systems used by businesses today.

1. Transaction Processing Systems (TPSs)

They are applications of information processing for basic day to day business transactions. Customer order taking by online retailers, approval of claims at insurance companies, receipt and confirmation of reservations by Airlines, payroll processing and bill payments at almost every company - all are routine business processes. Typically, the TPS for first level (operational) activities is well defined, with predetermined data requirements and follow the same steps to complete all transactions in the system.

2. Management Information Systems (MISs)

It supports organisation's managers by providing daily reports, schedules, plans and budgets. Each manager's information activities vary according to his or her functional area and management level. Whereas midlevel managers focus mostly on internal activities and information, higher-level managers are also engaged in external activities. Middle managers need networked information to plan upcoming activities such as personal training, material movement and cash flows.

3. Decision Support System (DSSs)

They are interactive systems that locate and present information needed to support the decision making process. Whereas some DSSs are devoted to specific problems, others serve more general purposes, allowing managers  to analyse different types of problems.The DSSs can help managers to make decisions for which predetermined solutions are known by using sophisticated modelling tools and data analysis.

4. Executive support system (ESS)

It is a quick reference, easy access application of Information Systems specially designed for instant access by upper level managers. ESSs are designed to assist with Executive level decision and problems, ranging from " what lines of business should we be in 5 years from now" to " based on forecasted developments in Digital Technologies, to what extent should our firm be globalised in 5 years? In 10 years". The ESSs also uses a wide range of both internal information and external sources, such as industry reports, global economic forecasts and reports on competitors' capabilities. Accordingly, ESSs are not designed to address only specific, predetermined problems. Instead, they allow the user some flexibility in attacking a variety of problem situations. They are easily accessible by means of simple keyboard strokes or even voice commands.

5. Artificial intelligence (AI)

It can be defined as the construction of computer systems, both hardware and software to imitate human behaviour – in other words, systems that perform physical tasks, use thought processes and learn. In developing AI systems, knowledge workers (business specialists,

modelers and IT experts) try to design Computer Based systems capable of reasoning, so that computers, instead of people, perform certain business activities.

6. Intranets

Intranets or private internal networks are accessible only to employees via entry through electronic Firewalls. Firewalls are used to limit access to an intranet. Further, it is a communication network similar to the internet but operating within the boundaries of a single organisation.

7. Extranets

Extranets allow outsiders limited access to a firm's intranet. The most common application allows buyers to enter the seller's system to see which products are available for sale and delivery, thus providing product availability information quickly to outside buyers. Industrial suppliers, too are often linked into their customers' intranets so that they can see planned production schedules and make supplies ready as needed for customers' upcoming operations.

### 3.2 Personal Digital Technology

In recent years, the nature of organisational communication has changed dramatically, mainly because of breakthroughs in personal Electronic Communication Technology and the future promises even more change. It has also become common, to have teleconferences in which managers stay at their own location, but are seen on monitors as they meet. Highly detailed information can be retrieved with ease from large electronic data banks. This has given rise to a new version of an old work arrangement- the cottage industry. In a cottage industry people work at home and periodically bring the products of their labours into the company. Smartphones have made it even easier for managers to communicate with one another.

### 5.    Informal Communication

There are some of the communication that takes place in an organisation transcends these formal channels and instead follows any of several informal methods. Common informal communication in organisation include the grapevine, management by wandering around and nonverbal communication.

### 4.1 The Grapevine

The grapevine is an informal communication network that can permeate an entire organisation. Grapevine are found in all organisations except the very smallest, but they do not always follow the same patterns as, nor do they necessarily coincide with, formal channels of authority and communication. The gossip chain and the cluster chain are the most common grapevines. The gossip chain occurs when one person spreads the message to many other people. Each one in return, may keep the information confidential or pass it on to others. The gossip channel is likely to carry personal information. The other common grapevine is the cluster chain, in which

one person passes the information to the selected few individuals. Some of the receivers pass information to a few other individuals; the rest keep it to themselves. There is some disagreement about whether the information carried by the grapevine is accurate, but research is increasingly finding it to be fairly accurate, especially when the information is based on facts rather than speculation.

### 4.2 Management by Wandering Around

Another increasingly popular form of informal communication is called management by wandering around. The basic idea is that some managers keep in touch with what is going on by wandering around and talking with people- immediate subordinates, subordinates far down the organisational hierarchy, delivery people, customers or anyone is who is involved in the company in some way.

### 4.3 Nonverbal Communication

It is a communication exchange that does not use words or uses words to carry more meaning then the script definition of the words themselves. Nonverbal communication is powerful but little understood form of communication in organisations. It often relies on facial expressions, body movements, physical contact and gestures. The manager should be aware of the importance of nonverbal communication and recognise its potential impact.

### 5.  Management of Communication Process

In view of the importance and pervasiveness of communication in organisations, it is vital for managers to understand how to manage the communication process. Manager should understand how to maximize the potential benefits of communication and minimise the potential problems.

### 5.1 Barriers to communication

Several factors may disrupt the communication process or serve as barriers to effective communication. This may be divided into two classes: Individual barriers and organisational barriers.

Individual Barriers

- ➢ Conflicting of inconsistent signals and they may disrupt effective communication.
- ➢ Lack of credibility problems and it arises when the sender is not considered a reliable source of information.
- ➢ Reluctant to initiate a communication exchange.
- ➢ Poor listening habits can be a major barrier to effective communication.

Organisational Barriers

➢ Semantics problems arise when words have different meaning for different people.
➢ Communication problem may also arise when people of different status or power try to communicate with each other.
➢ If people perceive the situation differently, they may have difficulty in communicating with one another.
➢ Environmental factors such as noise overload may also disrupt effective communication.
➢ As businesses become more and more global, different languages can create problems. To overcome this problem some firms are adopting an official language.

## 5.2 Improving Communication Effectiveness

Considering how many factors can disrupt communication, it is fortunate that managers can resort to several techniques for improving communication effectiveness. These techniques include both individual and organisational skills.

Individual skills

➢ Being a good listener and it requires the individual to be prepared to listen, not interrupt the speaker, concentrate on both the words and the meaning of being conveyed, be patient and ask questions appropriately.
➢ Feedback which is facilitated by two way communication.
➢ The sender should try to maintain credibility.
➢ The sender should also try to be sensitive to the receiver's perspective.
➢ The receiver should also try to be sensitive to the sender's point of view.

Organisational skills

➢ Following-up: Checking at a later time to be sure that a message has been received and understood
➢ Regulating information flow: The sender or receiver take steps to ensure that overload has not occurred.
➢ Both parties should understand richness of different media.