

# Advantages and disadvantages of formal and informal communication

Informal communication is a casual form of communication between employees in an organisation. It is not an official form of communication; it takes place between social relationships that form in the workplace. Both employees and the employer need to be careful about what type of communication they use, as a wrong choice can create conflict between co-workers.

## Theory of Knowledge

‘The most important thing in communication is to hear what is not said.’  
(Peter Drucker, 1909–2005, Management consultant)

There is more to communication than what is said explicitly either in formal or informal channels. The role of context, body language and tone can convey a lot of information too. People in any organisation need to have a deep understanding of culture and of individual people in order to understand all the information conveyed in their relationships. Watching and listening can help people interpret all kinds of communication in the workplace more effectively.

- Can we ever truly understand all that a person wishes to communicate?

## Advantages and disadvantages of formal communication

Formal communication has some significant advantages and disadvantages, as outlined in **Table 1**.



Figure 1. Formal communication.

Credit: RgStudio, Getty Images

Table 1. Advantages and disadvantages of formal communication.

Advantages of formal communication	Disadvantages of formal communication
<b>Can increase efficiency, coordination and accuracy.</b> Predefined rules about communication can speed it up and ensure the information reaches its target audience.	<b>Can delay decision-making.</b> Top-down communication through a long chain of command can be slow and can delay decision-making.
<b>Discipline, order and fewer mistakes.</b> Employees follow rules about audience, purpose and tone that can lead to predictable and orderly communication in the organisation, with fewer missteps in communication.	<b>Reduced initiative and creativity.</b> When communication only follows defined channels and rules, more spontaneous and original transfer of information may be prevented.

Advantages of formal communication	Disadvantages of formal communication
<p><b>Documented for future reference.</b></p> <p>Communication through documented, defined channels means that information is recorded if it needs to be referenced in the future.</p>	<p><b>Cost.</b> Defined channels need to be maintained and documented. This may involve payments for platforms such as business intranets, which cost money.</p>

## Advantages and disadvantages of informal communication

Informal communication has some significant advantages and disadvantages, as outlined in **Table 2**.



**Figure 2.** Informal communication.

Credit: Edwin Tan, Getty Images

**Table 2.** Advantages and disadvantages of informal communication.

Advantages of informal communication	Disadvantages of informal communication
<p><b>Faster.</b> Not following defined channels, purposes and tones can mean that communication spreads more quickly.</p>	<p><b>Lack of confidentiality.</b> Unregulated channels of communication outside of the chain of command mean that shared information will not be confidential.</p>
<p><b>Employee relationships.</b> Employees share information more freely, which can improve relationships between them and enhance collaboration.</p>	<p><b>Distortion and conflict.</b> Incorrect or misinterpreted information can be spread easily, resulting in conflict.</p>
<p><b>Alternative means.</b> Some important information cannot be sent through formal channels, so informal communication acts as an alternative.</p>	<p><b>Rumours.</b> Alternative types of information may result in rumours that can undermine official communication.</p>

### Exam tip

When evaluating communication for exam questions, it is important to remember that both formal and informal forms of communication can be efficient and can improve business operations.

You should be able to identify which type of communication is referenced in the case study, consider style and purpose and know some advantages and disadvantages of the type of communication in question.

### Case study

Stagecoach Group is a Scottish public limited transport company based in Perth, Scotland. It operates buses, express coaches and a tram service in the United Kingdom.

In 2018, Stagecoach introduced an employee experience app called Blink for its 20000 plus bus and rail employees. The company appreciates that good internal communication is vital for any business to be successful, and it has since won two awards for being employee-centric and engaging frontline workers through the app.

The Blink app, embedded with an intranet, allows Stagecoach employees to get information about what is new in the company, to communicate with other employees, check schedules, provide feedback and access employee training programmes. The use of this app increases the efficiency and accuracy of communication in the business. Productivity increases and effective communication enhances motivation. Stagecoach believes communication is an integral part of employee satisfaction and retention of employees.



**Figure 3.** Stagecoach buses are equipped with a mobile communication app called Blink.

Credit: Owen Beveridge / EyeEm, Getty Images

### Questions

1. Define the term communication. [2 marks]
2. Explain **two** advantages for Stagecoach of using Blink, a formal method of communication in the form of an app with an intranet for communicating with its employees. [4 marks]