Organizational Communication in a For-Profit Business

This is the PDF version of the content used for the website.

Culture

Establishing a Strong Corporate Culture: Tips, Types, and Examples (2021, July 30). (n.d.). Retrieved from https://qvalon.com/blog/corporate-culture-tips-types-and-examples/

Groysberg, B., Lee, J., Price, J., & Cheng, J. Y.-J. (2021, December 8). *The leader's Guide to Corporate Culture*. Harvard Business Review. Retrieved March 10, 2022, from https://hbr.org/2018/01/the-leaders-guide-to-corporate-culture

Laker, B. (2021, December 10). Culture Is A Company's Single Most Powerful Advantage. Here's Why. Retrieved from https://www.forbes.com/sites/benjaminlaker/2021/04/23/culture-is-a-companys-single-most-powerful-advantage-heres-why/?sh=7ca1d67a679e

Culture is the social order of an organization: It shapes attitudes and behaviours in wide-ranging and durable ways (Groysberg et al., 2021). Many organizations tend to promote their "core values" on social media, websites, and annual reports, the unspoken assumption behind this is that these values are defined by top management, and organizational members are expected to adopt them. Cultural norms define what is encouraged, discouraged, accepted, or rejected within a group (Groysberg et al., 2021 & Laker, 2021). Culture has the ability to unleash tremendous amounts of energy toward a shared purpose and foster an organization's capacity to thrive. Especially in recent years, the COVID pandemic has impacted nearly every major industry and halted the momentum of many companies, culture has proven to be even more fundamental to business success (Laker, 2021).

In order to develop culture, it requires strong leadership and employee buy-in, strong leadership is necessary to communicate the vision of the organization's core values and identity and inspire engagement (Laker, 2021). Culture is vital in the success of a company, when a strong culture supports employees, they will rise to the challenge and operate at new levels of performance (Laker, 2021). It is important to note that culture is a group phenomenon, culture is something that cannot exist solely within a single person, nor is it simply the average of individual characteristics (Groysberg et al., 2021). Successful culture requires the commitment of employees and leaders.

Culture can impact a company's employee engagement, productivity, employee turnover and recruitment offers (Establishing a Strong Corporate Culture, 2021). The purpose of establishing or improving a company's culture is to build a conducive work environment (Establishing a Strong Corporate Culture, 2021). Culture can vary depending on the industry and organization. Every organizational culture has pros and cons, one structure is not always better than another. What works in one company may not work in another.
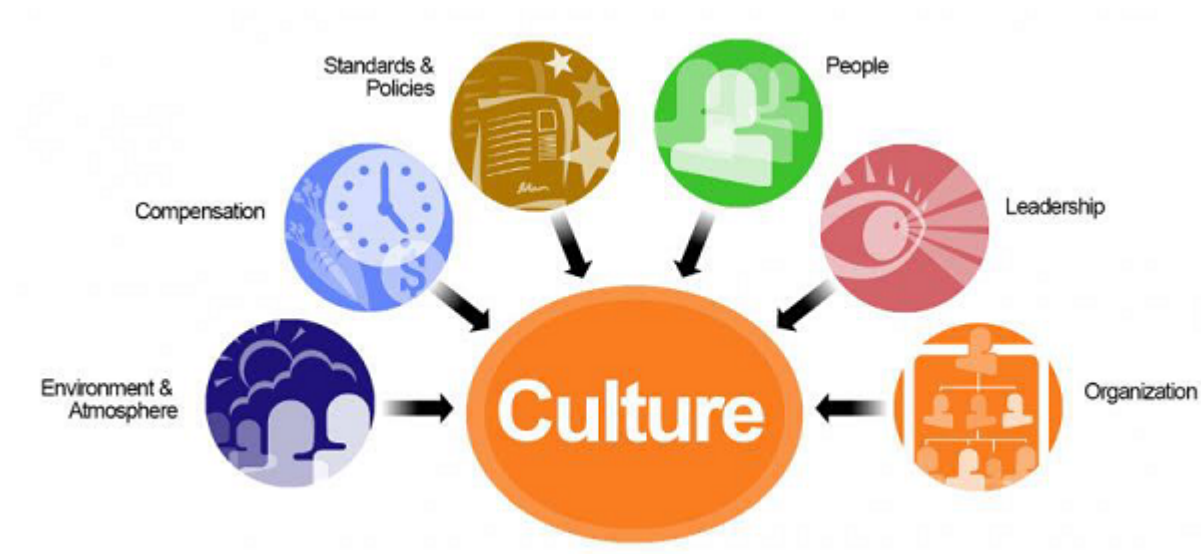
Human Resources

Gurchiek, K. (2006). Research: Key HR strategies boost profit, sales. SHRM. Retrieved March 9, 2022, from: https://www.shrm.org/hr-today/news/hr-news/pages/cms_018006.aspx

John, D.A. (2018). *HR as the Revenue Contributor in the Age of Technology*. The SHRM SouthAsiaBlog. Retrieved March 8, 2022, from: https://blog.shrm.org/sasia/blog/hr-as-the-revenue-contributor-in-the-age-of-technology

Sanchez, A.G., Popescu, D., Chivu, I., Ciocarlan-Chitucea, A., and Popescu, D.O. (2011). *How to Improve Small and Medium-Sized Enterprises Profitability by Practicing an Efficient Human Resources Management*. Theoretical and Applied Economics. 1(544) pages 49-64. http://www.store.ectap.ro/articole/542.pdf

The organization of the human resources department of a business can be a very important contributor to its profitability (Sanchez et al., 2011). When the human resources team does their job efficiently, employees are more motivated and productive. This leads to higher profit margins and a faster growing company. For-profit organizations benefit when their employees learn quick and work efficiently. It is the responsibility of human resources to develop employees, build their confidence and help them reach their career goals (Sanchez et al., 2011). Since the main objective of for-profit organizations is to make money, the human resources are working to meet those objectives in as many ways as they can. Today, a good human resources team brings more value to the organization when they have a vision (Sanchez et al., 2011). This would include strategies like hiring and training employees that not only provide value towards the company's goals but also fit with the company culture (Gurchick, 2006).

Technology also plays a huge role in ensuring success of an organizations human resources (John, 2018). For human resources, it allows managers to communicate with employees better. It provides tools to help analyse data and make informed decisions. This allows many of the human resource processes more efficient, which leaves more time to focus on the development of a positive organizational culture (John, 2018).

Human resources is often overlooked an undervalued when for-profit organizations think of what brings them value. However, a well-developed human resources team is critical for success and profitability, especially in the busy and complicated world of business today.

Image: Russakoff, R. and Goodman, M. (2011). How to Create a Culture of Profitability. CBS News.
https://www.cbsnews.com/news/how-to-create-a-culture-of-profitability/

Organizational Hierarchies

Company Management Hierarchy. Hierarchy Structure.
    https://www.hierarchystructure.com/company-management-hierarchy/
Faust, A. (2020, May 3). *Are you considering your business's hierarchy of needs?*
    https://www.linkedin.com/pulse/you-considering-your-businesss-hierarchy-nee
    ds-alex-faust/
Lazzari, Z. (2018, August 21). *Levels of Hierarchy in Business*.
    https://smallbusiness.chron.com/levels-hierarchy-business-22635.html
Two Basic Types of Organizations: For-Profit (Business) and Nonprofit. Free
    Management Library. (2022, January 18).
   https://managementhelp.org/organizations/types.htm

      For-profit businesses operate with one goal in mind, to generate profit, that is an increase in money than what the business spent trying to procure that money in the first place ("Two Basic Types of Organizations", 2022). For-profit business owners decide how money is then divided amongst themselves, the business operations and other employees ("Two Basic Types of Organizations", 2022). For-profit businesses tend to institute organization hierarchies to establish instruction within their companies, leading to clear objectives and a productive work environment so as to guarantee high profitability.

      While organizational hierarchies vary depending on the size of the company, every company institutes some type of hierarchy to ensure that productivity and securing profit is successful, which when looking at for-profit businesses, that is their main priority (Lazzari, 2018). Levels within organizational hierarchies allow businesses to strengthen operations, identify decision makers and subsequently have those decision makers relay information and initiatives throughout the rest of the hierarchy (Lazzari, 2018). Hierarchies instituted in companies ensure that business roles are defined and that objectives are shared throughout the company and eventually reached based on a timeline (Lazzari, 2018). By businesses instituting employee delegations and positions with more or less power, employees will be more driven to deliver exceptional work and drive the company in a positive direction in hopes of one day getting a promotion. Organizational hierarchies allow higher level employees or departments to instruct lower level employees and departments on various matters in order to ensure efficiency.

      Generally, hierarchies vary from company to company in terms of individuals securing various roles (Lazzari, 2018). However, there are always top-tier workers, mid-tier workers and low-tier workers. For example, a small business might have one boss/CEO and President with a few employees beneath him/her (Lazzari, 2018). Or alternatively, a mega corporation would have a board and shareholders who control CEO decisions and subsequently the department heads and other employees below (Lazzari, 2018). In most for-profit businesses, the organizational hierarchy consists of shareholders as the primary and most powerful individuals, board and advisors come secondary, then COO/CEO, President and Vice-President, then Department Heads, after that there are Supervisors, Managers and Team Leaders and lastly other Employees (Lazzari, 2018).

To reiterate, organizational hierarchies differ in terms of who makes up the hierarchy depending on the size of the company (Lazzari, 2018). These hierarchies within for-profit businesses ensure that delegations for work-related matters are clear and manageable, they ensure high productivity and they make it possible for employees to move up and thrive in the chain of command (Lazzari, 2018). The defined structure or organizational hierarchies promote clear lines of authority, clear employee roles and responsibilities, accountability for one's actions, loyalty towards a company, the idea that employees should always strive to do better and hopefully achieve a new position of authority within that company one day.
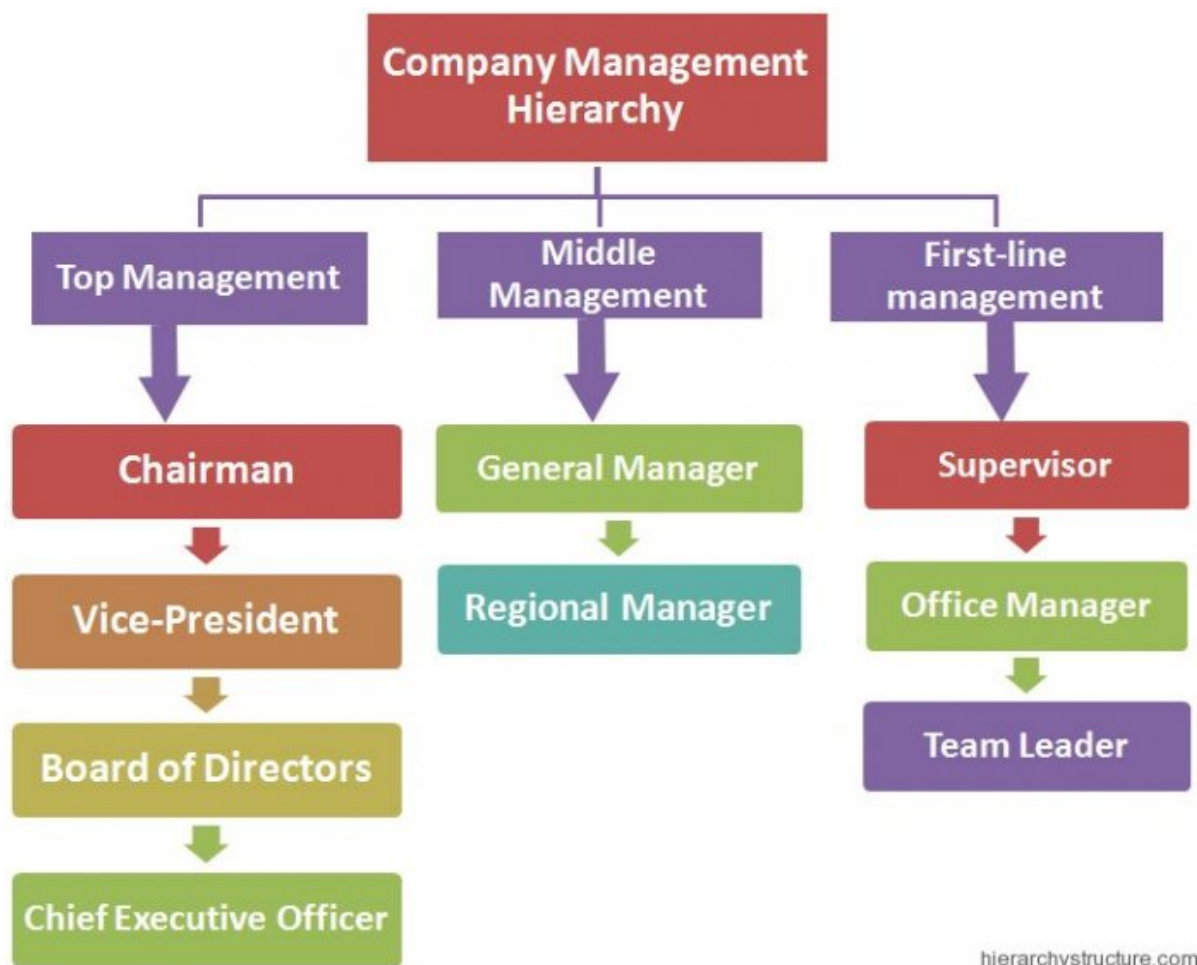
("Company Management Hierarchy")
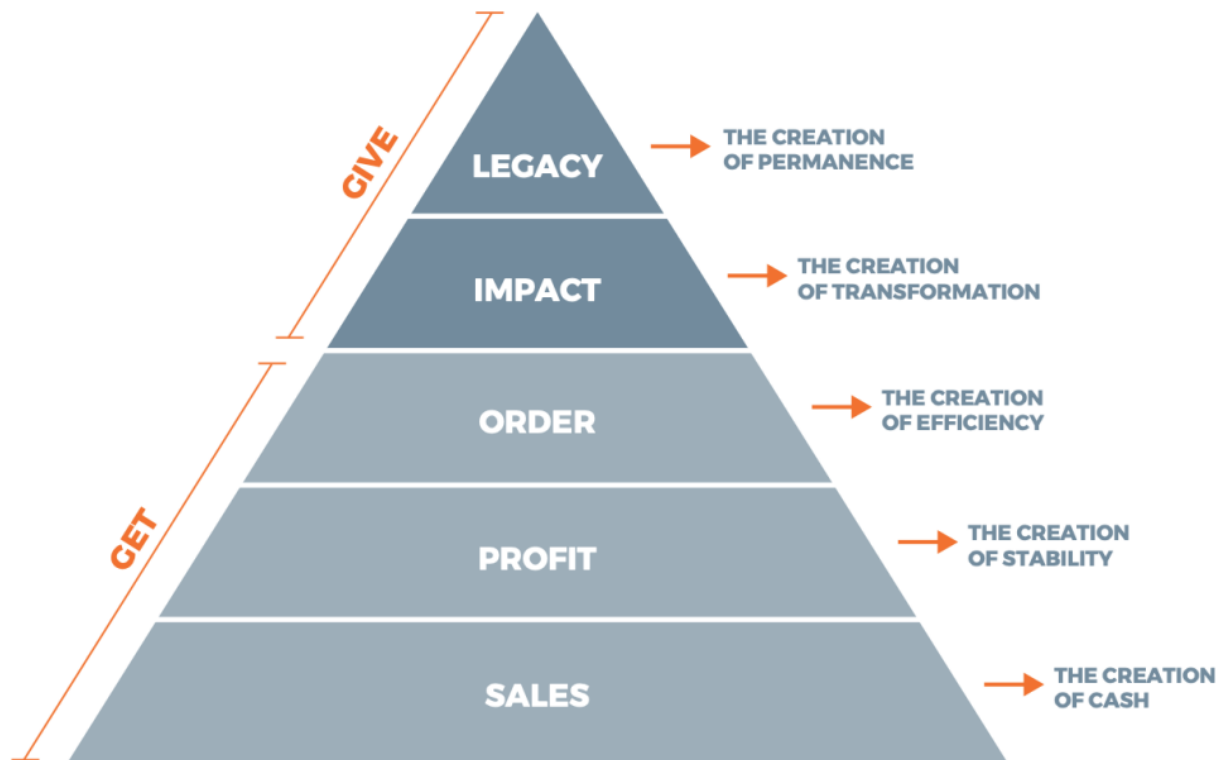
(Faust, 2020)

Organizational Thinking

Cheney, G. (2000). Thinking differently about organizational communication. *Management Communication Quarterly*, *14*(1), 132–141. https://doi.org/10.1177/0893318900141006

Deetz, S. (2005). Critical theory. In S. May, & D. K. Mumby (Eds.), *Engaging organizational communication theory & research: Multiple perspectives* (pp. 85-112). SAGE Publications, Inc., https://dx.doi.org/10.4135/9781452204536.n5

UniversalFunding. (2021, July 9). *10 ways to boost profits without increasing sales*. Universal Funding. Retrieved March 8, 2022, from https://www.universalfunding.com/10-ways-to-boost-profits-without-increasing-sales/

Organizational thinking in terms of a for-profit organization communication's main priority is to generate the maximum amount of profit. For-profit organizations are ubiquitous, which means that these corporations are plentiful and must constantly innovate their thought processes to stay relevant, popular, and desirable. Organizational thinking on behalf of a for-profit business must apply a critical lens "that is far less interested in predicting the future than in making it" (Deetz, 2005, p. 16). Moreover, for a company to generate maximum revenues, its product,

commodity, or good must be the best in its market, and critical thinking must consider the consumer. The organization's critical thinking team's main priority is increasing their profits. It, therefore, must stay in tune with the social, cultural, and economic contexts that are popular and will be most appealing to consumers.

Organizational innovative thinkers can break down this thought process into three parts for ideal marketization: the exposure an organization has in their market for social, cultural, and economic considerations. First, for-profit organizational thinkers introduce superficial changes that will present the appearance of social, cultural, and economic changes adopted into their organization, when practices often remain unaffected (Cheney, 2000 p. 139). Second, for-profit organizational thinkers publicly announce their social, cultural, and economic changes as a means to conform towards the public's desirable product (Cheney, 2000 p. 139). Finally, the third step organizational thinkers implement is the 'transformation' stage, where the newly devised organizational changes are undertaken in the light of a global scale (Cheney, 2000 p. 139).

Overall, organizational thinking for a for-profit corporation is based on how the company can increase its profits to a small portion of shareholders while not producing effective social, cultural, or economic changes; instead, it presents a façade of such. The continual cycle of this system for for-profit organizations will ensure they remain relevant without diverting their profits towards making a positive social, cultural, and economic difference.

(UniversalFunding, 2021)

Organizations & Systems Thinking

Alter, S. The Work System Method: Systems Thinking for Business Professionals (2011). *Business Analytics and Information Systems*. 32. https://repository.usfca.edu/at/32

Foster-Fishman, P. G., Nowell, B., & Yang, H. (2007). Putting the system back into systems change: a framework for understanding and changing organizational and community systems. *American Journal of Community Psychology*, *39*(3–4), 197–215. https://doi.org/10.1007/s10464-007-9109-0

Laloux, F. (2014). *Reinventing Organizations: A Guide to Creating Organizations Inspired by the Next Stage of Human Consciousness.* Nelson Parker.

Werhane, P.H. Moral Imagination and Systems Thinking. *Journal of Business Ethics* **38,** 33–42 (2002). https://doi.org/10.1023/A:1015737431300

Systems can be defined as a collection of parts that interact and function as one (Foster-Fishman et al., 2007). There is value in viewing all the components within for-profit organizations as a system. If the various sectors of an organization such as its mission statement, organizational culture, or organizational structure are focused on individually, interconnections and interrelationships are lost (Werhane, 2002). In order for an organization to utilize systems thinking, it must view the organization as a whole built of interdependent elements, subsystems, and networks of interactions (Werhane, 2002).

To initially create this sense of wholeness in a for-profit organization, there are four related practices proposed by Laloux (2014). The first practice is to set ground rules for a safe space. Employees must feel safe to fully work within the organization. This can be established through setting organizational values. The second practice is to have a unique workplace that disregards any initial assumptions of what a workplace should look like. The third practice is ensuring an effective onboarding process. Finally, the last practice is having inviting meeting practices that align with the organization (Laloux, 2014, p. 263). All of these practices contribute to organizations finding a sense of wholeness which would contribute to optimal systems thinking.

It is important to recognize that organizations are targets of system change. Desired changes within a targeted population, in this case a for-profit organization, will not happen without the surrounding systems making the required adjustments (Foster-Fishman et al., 2007). Systems thinking allows organizations to go beyond applying quick fixes to a specific concern (Alter, 2011). A for-profit organization should also be concerned as to where their stakeholders fall within their system.

Various stakeholder relationships will overlap (please see figure 1). Therefore, it is crucial to be transparent as to what each of the components of the system are accountable for in order to identify where any decision making has potentially gone wrong (Werhane, 2002).

In sum, it is critical that for-profit businesses are viewed as a collection of working parts that implement a cohesiveness and interconnectedness that allows an organization to operate as a whole rather than putting focus on various sectors individually.
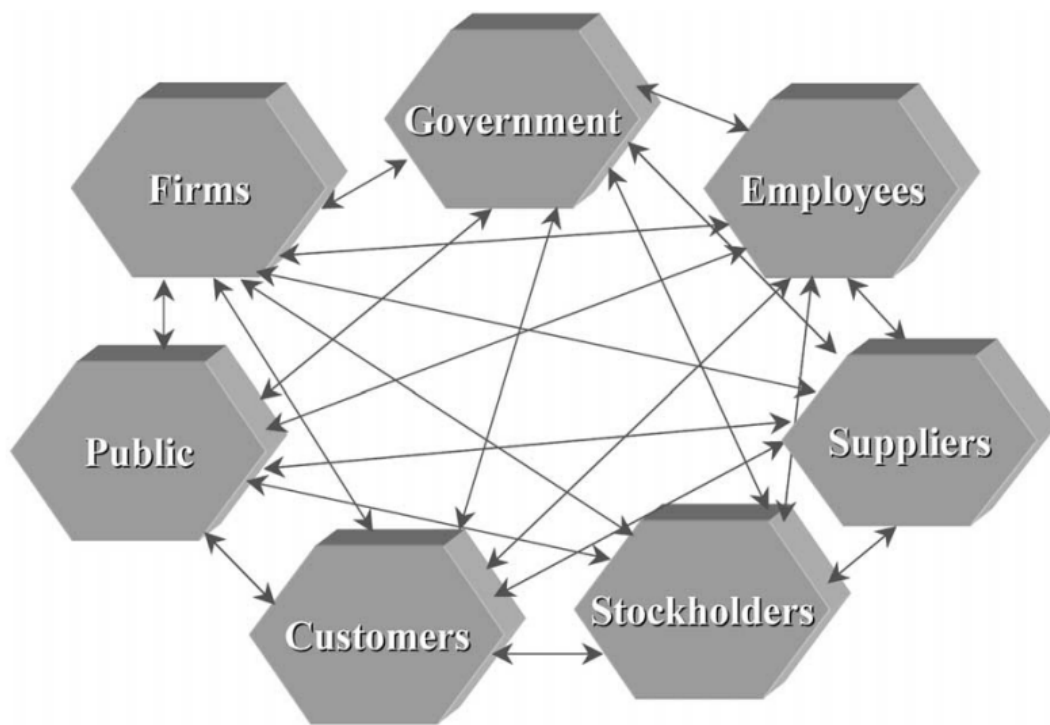

Figure 1: Stakeholder Networks (Werhane, 2002)