Formal and Informal Communication In Business Organizations

Pallavi Swain . Shivam Sharma Vijeta Choudhari

Guided by: Dr. Mosam Sinha (Faculty)

To reach optimal effectiveness in communication, simply having leaders or employees with good communication skills are not sufficient for business to succeed or flourish as it only accounts for small degree of communication effectiveness. Organization needs to develop effective communication networks for employers and employees to communicate throughout the organization structure. To be more specific, it is how organization improves the communication flow within the entire departmental area for smooth and better functioning of the business. Communication networks are categorized into two categories: Formal and Informal Communication Networks. Businesses share information with employees through formal and informal channels. Formal communication typically occurs through prescribed reporting channels established by a company's hierarchy structure. Informal communication is commonly known as the grapevine and includes conversations among employees that take place outside of regular work activities. The primary objective of the present paper is an attempt to project the role of formal and informal communication in business organization.

Formal Communication takes place in the form of official messages and news that flows through recognized channels in the Organization. This communication may take place between a superior and subordinate, a subordinate and superior or among employees at same level or departmental level. Without formal communication, there is no as such specific corner for clear communication to take place. Such communications are generally observed in writing and may take any of the forms; policy, manuals, procedures and rule books, memoranda, official meetings, reports, etc. It flows in three directions; downward, upward and horizontal.

Downward communication is the communication that is initiated by supervisors to subordinates. It is used for giving orders and instructions, providing information, or for influencing attitudes and behavior of the subordinates. Examples of downward communication are job instructions, procedures and practices and feedback. This type of communication flows when supervisors instructs subordinates to complete certain task, supervisors describe and give suggestions to how the tasks should be completed, when supervisors give comments on the performances of subordinates of the given tasks.

Upward Communication is the communication that takes place between subordinates and supervisors and direction of flow is from former to latter. It is used for reporting, informing, requesting and suggesting upper bodies. It is also used to influence decisions and to protect against certain actions or decisions of the management. In a well organized communication system, upward communication is given as much importance as downward communication. First and most important factor is the flow of information which helps in bringing out the feelings, emotions and sentiments of the employees in the working area. Unless upward communication is encouraged and taken note of, downward communication is not fully effective.

Horizontal Communication is the communication across business departments or between members of organization that are equal in positions and power. These channels include informing and coordinating. Effective horizontal communication is significant to business operations as a whole since it involves task coordination, information sharing and problem solving between departments. For example, clear communication must be created between sales and production department. Once the sales department commit to the clients of the sales department, information must be shared swiftly and clearly to the production department in order to produce and distribute the right amount of products to the clients. Miscommunication in this regard can lead to loss of revenues and profit.
Informal Communication is communication based on friendship, relationship, proximity and shared interests between coworkers or the so called the “personal networks”. The informal bonds created between co-workers makes the communication more effective and powerful. When the employees are not able to communicate the required information to higher authorities because of communication barriers, then informal channels of communication takes place. Informal communication or grapevine arises from social interactions of the people. Therefore, it is as fickle, dynamic, and varied as people are. Its speed is very fast as compared to formal communication. In addition, informal channels of communication are faster, more reliable and allows for more ideas to be generated as a sort of informal bonding between co-workers helps them to get engaged in more deeper and thorough conversation regarding their work. It is an easy task for a computer virus to spread from one system to another and contaminate files, data or the entire system. In the same manner, gossips and rumors contaminates a healthy working environment.

The important point to be recognized about grapevine is that it is a natural and normal activity and is an essential part of the total human environment. If it doesn’t exists in the organization, the ability of a manager to build team work, motivate people and create identification of employees with the organization would become a tedious task without getting a proper acknowledgement of the individuals beliefs and perceptions.

Gravepine communication occurs in places where people get together in groups during recess time like lunch breaks or tea breaks etc. The communication at recess time is quite informal and gossips run free without any obligation. As grapevine is an informal network, the communication often includes serious issues but in an informal manner. The employees keep both of their positive and negative aspects of matters concerning work area, several issues regarding other employees of same or other departments. The talk may also include personal chats among both workers and management, many of the times throwing light on the errors and flaws of their colleagues. The participants in this type of communication generally enjoy the talk. The interest of the participants in this informal communication jumps from one department to another and also from one level of management to another. In a workplace, not only females but even males play an important role in becoming a part of such a communication.

The information transferred through grapevine may be accurate or completely incorrect. Now a days, the use of technology like e-mail, internet and chatting have added and extended the grapevine network. During work hours, some employees spend most of their valuable time chatting with friends and meanwhile may can transfer important information from one person to another and so on. Sometimes, it is a very dangerous method of gossip delivery as messages are easily forwarded to unintended receivers becoming a reason of severe conflicts also giving a way to formation of unions etc. which later on become a threat to the organization. Greater are the stressful situations among employees, greater becomes the frequency of rumors. It is most probably seen in cases when employees are in the fear of losing their jobs and their anxiousness and insecurity gives way to gossips and rumors.

We are all aware that gossips and rumors are the destructive forces in a workplace. It serves as a most important factor in wastage of time thereby reducing the productivity of the company. It gives rise to many of the conflicts taking place in organization. Now the question arises that why it exists in organization?? Khandwalla answers this question by saying: “it exists because of excessive structuring of formal work flows and the excessive channelling of information flows.” Gossips and rumour occur in a workplace due to the lack of communication channels- up, down and across the company. The participants deliver important facts just to boast off themselves. And this reason for transmission of information goes right for what Donald B Simmon says: “rumors originate, grow and spread along the grapevine in direct proportion to their importance to workers and the lack of news on a subject from official channels.

It is a very obvious fact that grapevine can never come to an end because of the very simple that wherever groups or people congregate, flow of information becomes obvious or we can say that it is human nature to communicate informally. Grapevine cannot be stopped but can be controlled. From the employees point of view, if one feels that he is getting trapped in the network, he can tackle the same by avoiding negative personalities. One can also avoid the situation by changing the topic or by keeping a direct approach and clarifying doubts. On the other hand, it’s the manager’s job to tackle the challenge intelligently and effectively. The management can either ignore the grapevine or be a part of it by making use of the grapevine for the benefit of the company. This can be done by identifying the people who serve a key factor in the flow of information and then passing them the required and relevant information thus proving advantageous for the organization.
Looking into the other side of coin; we can analyse that both formal and informal communication plays an important role in organization. Formal Communication where on one hand is a time consuming process, cumbersome and leads to a great deal of distortion at times, but it helps in fixation of responsibility and maintaining of the authority relationship in an organization proving itself to be advantageous. Similarly is the case with informal means of communication. Leaving aside the negative phase leading to leakage of confidential information, it becomes beneficial at a psychological and emotional level in satisfying the natural human desire to know what is going around. “The network help employees make sense out of the world around them and consequently provide them release from emotional stress.” It helps in achieving better human relations in the organisation linking even those people who do not fall in the official chain of command.

References

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