

ORGANISATIONAL COMMUNICATION IN MODERN COMPANIES

Monica CONDRUZ-BĂCESCU¹

Abstract

The main topic of the article is effective communication in modern companies. Employees of the companies who can communicate feel connected to the progress of business and understand how their actions can support that business. A company or organization that communicates effectively – both outside and inside – records higher profits than "introverted" companies with a poor or nonexistent communication strategy. Basically, it shows that the communication process is not a "software" function of a company, but a driver of business performance, playing a key role in the organization's performance. Measuring the communication process becomes mandatory to design, implement and change – where necessary – the communication strategy of a company or organization, in order to increase its profit.

Keywords: organizational communication, subordinates, managers, abilities, barriers, performance

Preliminary considerations

Effective communication is the key to success in modern organizations. Inside the company, it strengthens confidence of the employees in the vision and mission of the organization, it connects employees to the reality of that business, it fuels the company's development, it eases the changes necessary for progress and it also helps to change employees' behavior. Outside, the company image, the discovery of new business opportunities and the relationship with society depend largely on how well designed and conducted this ongoing process of communication is. A company or organization that communicates effectively – both outside and inside – records higher profits than "introverted" companies or institutions or with a poor or nonexistent communication strategy. Basically, it shows that the communication process is not a "software" function of a company, but a driver of business performance, playing a key role in the performance of the organization. Employees of companies that maintain a good level of internal communication are "4.5 times more motivated to lead these companies to success" (Mucchielli, 2010: 55). The employees' trust in their company and the fact that through communication they feel they belong in the same family translate into "decreased by 20% of staff fluctuation in the best communicators companies, compared to the rigid organizations that have not yet discovered Intranet, let alone blog sites of the 21st century" (Bertrand, 2000: 30).

¹ Monica Condruz-Băcescu, The Bucharest University of Economic Studies, monicabacescu@yahoo.com

Employees of the companies who can communicate feel connected to the progress of business and understand how their actions can support that business. New employees quickly connect to the culture of that company and can cope better with the changes that management may require in certain situations. In other words, companies increasingly communicate more, but – given the technological progress – prefer faster and more modern ways to send and receive messages. Measuring the communication process becomes mandatory to design, implement and change – where necessary – the communication strategy of a company or organization, in order to increase its profit. Communication is the foundation on which other factors are built depending on the company: investment, high management, human resources and their intelligent usage, brilliant ideas.

Planning objectives and resources, elaborating strategies, making decisions and triggering actions are not linear processes. The multitude of targets, the complexity of interests, novelty situations, the unexpected reactions of people and the environment, make the most elaborate decisions and the most organized actions look sometimes ridiculous. Without the involvement of managers to synchronize and harmonize the actions' time and space, "the management process would have no cohesion, continuity and dynamism that allow achieving specific objectives" (Coman, 2001: 44, my translation). The basic component of the coordination function is *communication*. As a process that allows exchange of messages between people, it can reach, at the same time, agreement, but also disagreement, expression and imposing of power as well as negotiation and consensus. Therefore, communication means a simple fact: by practicing it, a person tries to establish a relationship with others that may broadcast information, ideas, attitudes. Communication is not just sounds and words, it means, at the same time, to think and know.

In terms of actions and situations in many forms and levels of human relationships that mediate, communication can get a lot of meanings, with an infinity of shades. For an organization, communication is defined as "the process through which the exchange of messages takes place in order to achieve individual and joint objectives of its members" (Cismaru, 2008: 34). Communication complexity in terms of practice requires from the manager the ability to be a good communicator. However, this ability develops primarily in relation with understanding the role of organizational communication.

The question "*why communicating in an organization?*" may have many answers, but a few are widely accepted:

- management functions are not operational in the absence of communication. Communication is, therefore, crucial for the existence and success of the organization, being also the first responsibility of the manager;
- communication establishes and maintains relationships between employees, giving them "the information needed to guide and assess their own

work in relation to the others, with the requirements of the organization as a whole and its environment” (Drăgan, 1996: 33);

- by the accomplished feed-back, communication reveals the possibilities of improving individual performance;
- being the basis of the motivation process, communication enables identification, knowledge and proper use of various categories of needs and incentives to guide employees’ behavior towards performance and rewards;
- it contributes to the establishment of fair and effective relationships, of understanding and mutual acceptance between bosses and subordinates, colleagues, people inside and outside the organization.

The structure of organizational communication

Components of organizational communication

Any communication process involves the existence of the following items:

- *the issuer* – is any employee who has information, ideas, intentions and objectives for communication;
- *the receiver* – is any employee – manager or performer – who receives the message;
- *the message* – is the symbol or all symbols transmitted by the issuer to the receiver;
- *the context or environment* – is an adjacent component, but may influence the quality of communication. It refers to space, time, physical condition, interference of noises, temperature, visual images which can distract or cause disruption, confusion;
- *the channels of communication* – are the ways through which messages are conveyed. According to the level of formality they can be: formal or official channels, overlapped on organizational relationships – effective communication depends on the functioning of these channels; informal or unofficial channels, generated by informal organization. They are additional ways of communication that enable messages to penetrate official channels. An efficient project of communication requires consideration of both types of channels, knowledge of their functioning, advantages and disadvantages to their use and control;
- *the media* – is the technical support of the process. Their contribution is visible in the message accuracy and communication cost.

Types of organizational communications

The great diversity of communication forms developed within organizations requires certain classifications, using several criteria.

a) Depending on the direction, communication can be: downward, upward, horizontal and diagonal.

Downward communication usually belongs to hierarchical relationships, developing at the level of top management, towards the levels of performance. Its content is given by decisions, regulations, instructions, tasks submission, request for information. The main problem of this type of communication is “the high probability that the message could be filtered” (Johns, 1998: 22), because each level can interpret messages according to their needs or objectives.

Upward communication is the conveyance of messages by subordinates to direct bosses and, successively to higher levels of management. Reports, requests, opinions, complaints pass through them. The role of upward communication is essential to the effectiveness of the communication process because it certifies the messages sent by the manager.

Horizontal communication is established between individuals or departments located at the same hierarchical level. The role of this type is to facilitate coordination of activities aimed at common objectives, excluding senior managers’ intervention.

Diagonal communication is practiced in situations where the organization's members cannot communicate through other channels. For example, when using project management, diagonal communications often occur between the project team and the rest of the structure compartments.

b) According to the mode of transmission, communication can be: written, verbal, non-verbal.

Written communication is used in a high proportion inside organizations to request or send internal memos, reports, decisions, plans, letters addressed to persons inside or outside the organization. Some of the advantages of written communication are the following: it provides a greater diversity of ideas, brevity and clarity, it can be achieved without disruption of the other participants in the communication, it does not require simultaneous presence and availability of participants, it allows the use of audiovisual media. As disadvantages of written communication can be listed: depersonalization of communication by eliminating the direct relationship between participants, longer period of time, high cost – salaries, paper, printing and transmitting means.

Verbal communication is the most commonly used within the organization. Experts say that 70% of internal communication is done verbally. This type of communication develops by means of language. Verbal communication requires from the manager not only the ability to utter signs, but also to listen. Practice shows that listening is marked by a number of shortcomings. Experts say that “only 28% of adults listen to what the other ones say” (Kunczik, 1998: 56). In terms of

management relations, verbal communication has some advantages: it establishes direct personalized relations between managers and performers, giving employees a sense of participation in the life of the organization; it allows flexibility of expression; information may be more nuanced and persuasive; it allows rapid valorization of some situations; the costs are reduced by 50% compared to written communication. The disadvantages of this type of communication are the following: it requires the simultaneous presence of interlocutors, multiplying the time spent; the successive transmission through different hierarchical levels is difficult and informational substance is lost.

Non-verbal communication can be an effective instrument which, handled skillfully, facilitates the interpretation of messages. The characteristic of this type of communication is its competition with verbal communication, which allows transmission of messages even while partners are talking. "Almost 90% of a message is transmitted non-verbally. Gestures, facial expressions, posture are the stimulus that can be used successfully to increase the effectiveness of interpersonal communication" (Moscovici, 1998: 62). The means of transmitting non-verbal messages are:

- facial expression: due to increased socialization people have learned to suppress their mood, controlling their expressions in a remarkable way. Thus, one can speak of a "public face", that people adopt at work, in business, in society, but also a "private face", which arises when they want to relax or when they are alone. Instinctively, we give our sympathy to those with a relaxed facial expression, always smiling; attentive and excited faces quickly attract the attention of others; a sad mimic can stimulate others to comfort; a tough and rough face can incite to aggression;

- eye contact: through the eyes, people supervise the course of communication to quickly adapt to the interlocutor's reactions. Eye movements, gaze duration and intensity are synchronized, usually with speech rhythm and fluency. One can see that a person who talks quietly has a calm look, and the intervals at which they change the eyes' direction are longer compared to the speaking pace;

- the use of space: it can also provide interesting non-verbal messages. Each individual is surrounded by a comfort zone, which protects him from intruders. If, for undesirable people our reflex is to extend this comfort zone, with friends this distance can shrink up to cancellation. When the zone is violated, a psychological coercion is exerted over the individual, accompanied by unpleasant feelings.

c) According to the official degree, communication can be formal and informal.

Formal communication includes all upward and downward messages, which move through organizational relations channels. It can exist in different forms: spoken, written, direct and indirect, multilateral and bilateral. Whatever form is used,

“communication remains a need for regulating the organizations’ functioning” (Pop, 2000: 89).

Informal communication includes rumors and gossip. Caused by lack of information or information that may appear truncated in the process of interpersonal relationships, informal communication is trying to eliminate uncertainty, curiosity or anxiety of people.

Factors of influence

Each organization has its own network of communication. Personality, individuality, cultural impressions of the organization are found in the subtle composition of the messages. These features are influenced by the effect of internal and external factors of the organization.

The *external factors* that influence organizational communication are:

- environment – fast-moving and ever changing, the environment multiplies the volume and increases speed of transmitting and receiving messages. The type of environment can influence the structure of organizational communication. Thus, a quiet environment may encourage written communication; in a hectic and reactive or turbulent environment where there are fast moving changes, written communications tend to be replaced by verbal ones, and phone calls are preferred to face to face conversations;
- modification of technique and technologies – it affects communication technology. The influence of this factor is most evident in the technical means promoted in the communication process: the fax or the mobile phone meet the needs for quick communication, at the same time, they cancel one of the great attributes of communication: personalization;
- the increase in the general level of people’s education is an advantage for the quality of communication. Encoding, decoding, interpretation and feedback can eliminate the deficiencies caused by lack of education, ignorance or resistance to new.

Internal factors with more direct and visible influences on the structure of communication are:

- organizational structure parameters – the degree of formality, the level of authority centralization, the way of controlling influence decisively the structure and communication process. Thus, a highly centralized and formalized, detailed and rigid control will be reflected in the written and formal communications;
- the design and operation of information systems – reflect the formal and written communication. The information system may interfere with the messages, channels and the media. The existence of deficiencies at the level of information systems generated by over- or under-information will reflect the quality, quantity, speed of messages in promoting the priority of certain types of communications;

- management style – is the factor that influences the degree of communication customization. Depending on the underlying concept of work style, the manager may be the adept of blind obedience from subordinate or dialogue. “Blind obedience is the case of authoritarian style based on lack of trust in people, but also overestimate his/ her own abilities” (Prutianu, 1997: 38, my translation). Dialogue: interested in the subordinate’s opinion, respecting and using its power and dignity, the manager will promote both verbal and written communication, will use extensively non-verbal communication and will decode the feelings and reactions of others;

- the type of organizational culture – culture requires and maintain traditions, unwritten, but deeply rooted rules, that are felt in the individualization of each organization's communication process. If tradition imposed, for example, communication without formalizing, its change towards a communication form required by a network type of culture will lead to a cultural revolution.

Organizational communication in three Romanian companies

Communication within the organization becomes an essential weapon for any company that wants to maintain itself on a more competitive labor market. Depending on the company that develops such practices, communication mode differs from one entity to another. Some have developed their own tactics, typical for the industry they belong to, others have moved to implement Western "rules", used with positive results in other markets. Organizational communication began to take an increasing role on the agenda of managers of Romanian companies, especially multinationals. According to the company shareholders, the tactics are different. While companies with Romanian shareholders largely use vertical formal communication, multinationals have moved to more complex tactics designed to keep close to the employee as an individual.

"Maintaining a stable control of the information provided, receiving and fulfilling obligations, objectives and tasks required are much better controlled by using vertical formal communication" (Cismaru, 2008: 55, my translation). Such organizational communication has proven to be effective especially in companies with a large number of employees.

To increase efficiency linked to organizational performance, most managers develop the ability to process information obtained from subordinate employees and to send a quick and concrete feedback. An effective communication with employees is a key indicator of financial performance. “Companies that have had the best internal communication programs offered about 91% of investment return to shareholders from 2002, while companies that communicated less effectively with employees have reached a rate of only 62%” (Hargie and Tourish, 2009: 89).

According to *Orange Romania*, besides a good salary, bonuses and benefits for an employee, the working environment will always count for the employees. The way he/ she could easily access information and development, understanding his/ her role in the implementation of strategies and the impact he/ she will have, at a certain point, on the customers, how he/ she relates to colleagues and other teams, management practices, in other words a company culture will be of great importance. Openness to dialogue is the first change of attitude; employees are more willing to tell their opinion about what works well and what should be improved, and expectations about their problems, which has a major effect on business, often leading to simplification/ improvement of processes, technologies, services for customers.

In *Orange Romania*, internal communication began to gain importance with the preparation process of rebranding from *Dialogue* to *Orange*, when the board had to communicate, at the same time, to the 1,300 employees, the new brand philosophy and values, so that at launch they could offer customers a different experience. Currently, internal communication consists in building those kinds of correct relationships, irrespective of status, hierarchy, policies, personalities and technologies that contribute to the success of a company. Thus, all events for employees are based on promoting team spirit: *Orange Sports Day*, Christmas party, workshops for managers, contests. Using effective ways of communication, managers can learn the opinions, concerns and suggestions of their employees related to the tasks they have to fulfill. In *Orange Romania* the most common ways to improve organizational communication are: open meetings, interdepartmental meetings, an effective communication, both horizontally and vertically, an internal newsletter, mails to the whole organization, intranet.

The organizational communication tools within *MOL Romania* are created and developed with the help of the human resources department. These are: employee newsletter, intranet site, communicating different messages through e-mail, the department and interdepartmental meetings, corporate identity materials, brochures dedicated to new employees. At the same time, the company organizes special activities, to discuss problems and find solutions together, where employees have the opportunity to meet, especially since there are three offices in Bucharest, Arad and Cluj. With colleagues from *MOL Group*, employees get to know the best of the events organized in Hungary, such as the Summer Party.

“Internal communication will increasingly use more sophisticated, personalized and non-conventional channels, in line with employee expectations” (Lindlof and Copeland, 2010: 34) It will already move from simply informing them to involving them in the decision-making process. All employees of *MOL Romania* participated in an exercise to identify the values that create teambuilding. This set of values constitutes a starting point for the organizational communication strategy. On the other hand, the management team is the one that established the company's vision on medium term. Another aspect is the integration of internal communication in the

Corporate Social Responsibility policies, by including employees in supporting social responsibility projects. Corporate volunteering is the easiest example. Organizational communication is underlined when it comes to positioning the company on the market or on organizational communication as performance of the brand promise. Obviously, this communication effort is much higher, but the company offers image stability on the market.

A solution to encourage new ways of collaboration between employees and increasing productivity is creating an internal blog accessible to everybody. Internal blogs are powerful tools of communication and information accessible to a closed community, aimed at motivating and helping its members. "In companies, this type of blog can be a great success in a time when discussions face to face and sending messages are increasingly less present. These networking technologies encourage new ways of collaboration between employees, increasing productivity" (Jones and George, 2010: 76)

The evolution of internal company blogs has been natural in time, imposed by the increasing number of employees in an organization and the need for transparent communication for quality management. Several years ago, corporate blog opened a new way of company communication. Initially, it was adopted by companies, where a large mass of customers wanted to know more about their favorite brand – the internal blog has become the next level of organizational communication, often replacing even e-mails. Furthermore, by using an internal blog for all employees, many misunderstandings can be avoided. You can follow the logical thread of discussion, avoid duplication and repetition of information, helping the team take an idea from the last stage of development. Therefore, the internal blog is practical, information is easy to follow, it involves employees in discussions, enhances creativity and can be an alternative to meetings. In addition, it allows searching for a topic and update it at any time, provides an overview, is useful for heterogeneous teams and has content that is delivered quickly and at low cost. However, if the organization has an important number of employees, and many of the messages may not interest some of them in any way, you can use a blog section for each department.

For *Petrom*, online internal communication is the future. Therefore, Petrom's management is constantly looking for new more efficient online media that support them in trying to make known the projects, initiatives and achievements of employees. As well as online chat with the company CEO, in July 2010 a new interactive tool for internal communication was introduced, namely the employees' blog. In the first month of operation the blog was accessed by approximately 900 employees; at present 7000 employees of Petrom read articles published by their colleagues. Basically, in less than a year after launch, almost 50% of employees use Intranet Petrom blog for the latest news. Subjects are fairly varied: from successful projects that increase gas production and energy efficiency, to volunteer actions, changes in the management team, new rules for occupational safety and

internal events. Anyone can sign an article appearing on the blog. The only condition is that the subject is of wide interest and the employee assumes the accuracy of information provided. To ensure the lowest risk and highest security level, all articles are moderated by the internal communication team before they are published on the blog. The internal communication team moderates comments on articles dealing with sensitive issues, in order to ensure objectivity. There are no comments for and against the subject published without considering whether or not favorable for Petrom, in order to encourage employees to express their views freely.

Web tools provide an opportunity to become more innovative and creative. Basically, the Web “supports the formation of a true community within the organization, increases the degree of cooperation among employees at both individual and team level, and encourages the exchange of experience and know-how in real time” (Mucchielli, 2010: 56)

Barriers of communication

Communication as an exchange of ideas, opinions and information through words, gestures and attitudes is the basis for the coordination of human activities. If writing and speech are relatively simple actions, the main difficulty is the correct understanding of communication. This difficulty is caused by the enormous differences between people. Each person is unique in terms of personality, training, experience, aspirations, elements that together or separately influence understanding messages. A word, a gesture, an expression can have different meanings for different people. Correct understanding is a key issue for the manager, because his work is based on communication with people who are not necessarily friends or relatives. “The explanation of misunderstandings, disagreements and even conflict is found in communication” (Souni, 1998: 63), in the barriers that people – managers and subordinates – raised, more or less intentionally, in the way of communication.

General factors of communication bottlenecks

Among the common barriers raised by people in the way of communication, the most common are:

a) differences in personality. Personality is considered by specialists the result of four factors: the constitution and temperament of the subject, the physical environment (climate, food), social environment (country, family, education), habits and skills gained due to previous influences. Arrived at psychological maturity, personality is finalized by integrating its various components. Different personalities generate different ways of communication. Everyone has their own guidelines based on image about others and about the world in general.

b) differences in perception. Receiving and interpreting messages are different, affected by personality, physical and mental structure, the environment

around the individual. Perception is the process by which individuals select and interpret stimuli and information consistent with their guidelines and general image of the world and life. For managers, the different perception of others is an obstacle that can be reduced or eliminated by knowing and understanding people.

c) *differences in status*. The position of the issuer and the receiver in the communication process can significantly affect the message. For example, a receiver aware of the issuer lower status may disregard his/her messages, even if they are true or accurate.

d) *cultural differences*. They can lead to obstacles when the persons belong to different cultural, social, religious, organizational environment.

Obstacles of organizational communication

They depend not so much on the material side, but especially on the human, psychological component included in the process. They are generated by managers, as well as by subordinates. As initiators and coordinators of communication, managers tend to raise artificial barriers in communicating with subordinates or their counterparts in general, due to: difficulties in the ability of transmitting information, stereotypes in the ways of transmission and presentation, leading to lower attention from the speakers; using a high tone and marked by irritability, which can lead to intimidation and lack of response from partner; lack of attention or skill in directing and controlling the dialogue to achieve its objective; deficiencies in the listening ability.

The obstacles arising from subordinates have as a source “the security desire or the lack of involvement in the organization or factors, simply related to temperament, work environment” (Soitu, 1997: 24) These difficulties are: the subordinates’ reserve in expressing their opinions, for fear of having problems with superiors or jeopardizing their promotion; the belief that subordinates’ problems do not interest the manager; the tendency to believe that any idea, proposal of development automatically means there is a failure tolerated by managers; the correlation between communication requirements and the subordinates’ possibilities to satisfy them in terms of quality and time; the frequency of changes.

Conclusions

The main conclusion of the article is that communication is, along with motivation and professional competence, the efficiency key in an organization. All members of the companies spend most of their time communicating in one form or another, regardless of their position in the hierarchy. Because today the number of employees in offices exceeds that of workers in production, there is a greater need for improved communication. Moreover, changes in technology have led to changes in the structure and activities of companies. Therefore practices and communication technologies have become increasingly important for all

organizations. And also the role of the manager in the organizational communication has become very important. In this context, the road to greater efficiency of an organization goes through a permanent internal and external communication management to enhance and improve it.

Communication is an indispensable element for the smooth functioning of all human communities, regardless of their nature and size. And this can be observed in the analysis made on three companies: Orange Romania, MOL Romania and Petrom. The continuous exchange of messages generates action by combining knowledge of goals, ways and means to achieve them, by promoting the necessary skills, the relative homogeneity of the groups in terms of affective and motivational aspect. "Man's dependence on communication systems is an accepted reality" (Candea, 1996: 98, my translation) The human being is closely linked to habits, motivations, beliefs, prejudices, to particular cognitive processes, social roles and the community they belong to.

I do not think there is any company which does not want to create an environment that could foster effective communication. Many of these companies invest significant budgets to this end. But the disparate use of each one of the instruments already described, does not ensure the achievement of this goal. Only a coherent program that would appeal to all the tools described may lead to effective communication at organization level.

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The author

Dr. **Monica Condruz-Băcescu** is a Lecturer of Business Communication in English at The Bucharest University of Economic Studies, where she teaches Business English. She holds a Master degree and a PhD in economics and has taken part in many conferences and symposia with contributions on communication in business English, English literature and economics. She is the author of more than 40 articles and six books and co-author of two textbooks for students of Cybernetics.