

Effective communication and organisational performance



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There are so many theories on, and various definitions of communication, a large amount of research has been carried out on the subject by scholars and academia. It is a subject that not only affects organizations, but also every aspect of life, especially as it pertains to human interactions.

Communication can be defined as a process by which we assign and convey meaning in an attempt to create a shared understanding (Wikipedia 2010).

Communication in organizations can be said to be the exchange of thoughts, feelings, information, opinion and knowledge (Anonymous). Huczynski (2007) defines communication as a process in which there is the transmission of information and the exchange of meaning between at least two people.

Effective Communication can be said to be the most important tool in any organization and can lead to the making and breaking of organizations.

Everything significant that happens in an organization involves communication; hiring and training employees, providing feedback, purchasing supplies, solving problems, dealing with customers, and deciding strategy.(Huczynski and Buchanan 2010).

This essay tries to analyze the importance of effective communication in an organization and the roles it plays in affecting organizational performance and individual career prospect. Two communication models are going to be used to explain the how effective communication can actually improve organizational performance as well as boost individual employee career prospect. The first of the models is the one designed by Claude Shannon and Warren Weaver(See figure 1. 1) which helps in explaining the process of exchange of information using the different aspects of communication processes(Huczynski and Buchanan 2010) and second, the different routes of <https://assignbuster.com/effective-communication-and-organisational-performance/>

communication in an organizational structure(See Figure 2. 1) as developed by Evans(1987). We will also for the sake of this paper, focus communication as the key concept in explaining rationale behind the use of both communication models.

Assumptions;

1. The first assumption is that communication takes place between two or more people and therefore there is a flow of information.
2. The second assumption, according to Aristotle`is that communication involves a sequence of events which include the speaker, the speech and the audience. However modern models are more complex and using the model developed by David K. Berlo, communication involves nine components or sequence of events which include; a source, encoder, message, channel, receiver, decoder, meaning, feedback and noise (Claude Shannon and Warren Weaver 1949.)
3. The third assumption is that communication has different routes of passage in an organization, which are vertical, Lateral and diagonal (Desmond. W. Evans 1986).

BankPhb Plc is an organization involved in Universal banking business in Nigeria with a balance sheet size of N367. 55Billion as of 2008 (Reuters Nov 4. 2008) and a defined organizational structure. The purpose of organizational structure is first to divide up organizational activities and allocate them to sub-units and secondly to co-ordinate and control these activities so that they achieve the aims of the organization (Huczynski and

Buchanan 2010). Communication plays an important role in the way information is transferred across the various structures of the organization. It also plays a major role in the way an organization tries to sell its brand, market its product and services and carve a niche for itself in the market in which it operates. This essay looks at how communication plays an important role in the organisation as well as the relevance of effective communication to the sustainability and growth of Bankphb Plc.

Bankphb and Interpersonal communication.

' Bankphb has a tall hierarchical structure, where there are many layers or levels of management and as such is comprised of six layers of management from the managing director/ceo down to the entry level executive assistant. The Managing Director of Bankphb Plc had a vision at the beginning of the financial year, to move the Bank from its 9th position in the Nigerian banking sector's ranking to 5th by the end of the year. However, six months down the line, the figures were not favourable and in a fit of anger and panic called a meeting with the top management team of the Bank. In the meeting, he expressed his disappointment with the half year results and then issued out threats to the senior managers to " buckle up or face the exit door".'

Good communication is essential to the efficient operation of any organization and vital to the fulfillment of all those who commit their working lives to it. Effective interpersonal communication is a two way process (Desmond. W. Evans 1986). Managers at whatever level or hierarchy fail to realize that the act of communication involves not only the transmission of a message but also the receiving of such message and inbetween this transfer

of information are other variables like the message, the channel in which the message is carried and perceptual filters which can interfere with the effective transmission and receipt of the message as explained in the Table 1.0. Heznycki (2004) posits that the success of our communication depends on the accuracy of the receivers decoding; did they understand the language used and appreciate the exasperation or friendship?.

‘ The senior managers from the various departments went back to their regions and relayed the information to the employees via emails in such a way that it created panic and the ripple effect was that the morale of the employees become dampened. Most employees work in organizations mainly to have a defined career path, job security, job satisfaction amongst others and would be greatly discouraged if their aspirations are threatened. As a result of these, some employees out of anxiety begin to look for alternate jobs, others resigned while a dishonest few working in sensitive positions actually took advantage of slack supervision caused by the morale deepening to defraud the bank.

Consequently, by the end of the financial year, the work force had significantly reduced, limited resources was wasted in training new employees, morale was at its poorest and eventually the target was not met.

Interpersonal communication is usually guided by two key concepts; social intelligence, which is the ability of a person to understand the thoughts and feelings of others and manage such relationships accordingly, while the other is emotional intelligence, which is the ability to identify, integrate,

understand and reflectively manage one's own and other peoples feeling (Huczynski and Buchanan 2010).

One of the concepts was popularized by Daniel Goleman (1998, 2005) who argued that emotional intelligence is more important to career success than technical skills or rational intelligence, according to him, emotional intelligence gives one an added advantage, at work and in social relationships, but it is a particularly important for top management, where conventional notions of intelligence are taken for granted.

It is very important therefore that top management employ this technique in communicating organizational objectives, or else the resultant effect would be loss in productivity and failure.

Routes of communication and Employee Satisfaction

Communication is central to individual and organizational performance, but many senior managers regard communication as a problem and do nothing about it, in most cases, while many employees feel that they are not informed about managements plans. People who are informed and feel valued are more likely to be more committed to the organization and perform better in the jobs (Huczynski and Buchanan 2010) In most organizations, communications flow down, up and across from board-room to shop-floor and back. One of the most effective passage/routes is the vertical communication.

Vertical communication is the term used to describe the principal channels for routing directives, instructions and policies from top management down

to the employees who will implement them, correspondingly, the term describes the upward channels through which flows ideas, suggestions, criticism etc. To an organization an upward communication flow is just as important as the downward one.

In the case of Bankphb, the evolution of the idea and planning of the strategies behind achieving the required organizational goal were not effectively communicated to the employees. On the other hand employees were not even engaged in the decision making process, therefore understanding managements goal became a problem because a large proportion of the employees felt that the target was over-ambitious.

Employing the vertical communication in would most likely have increased the organizations performance because it would have encouraged the flow of constructive criticism and information about what the market reality and the perception of the bank was outside. Most frontline employees (Marketers) were quick to point out that a lot of customers were skeptical in doing business with the bank because they felt that its advertising campaign was too aggressive, and reminiscent of a time in the past when banks with similar campaigns went bust in the late 90`s. This was a major factor that was hindering the success of the campaign, a situation the top management would have been aware of had there been an open channel of effective communication.

Desmond Evans (1986) says that an upward communication flow is just as important as a downward one. When downward communication becomes an avalanche and upward communication a tremble, an organization would

suffer from poor morale, low productivity and potentially explosive frustration in its employees. A situation which caused a mass exodus of employees from the bank in search of other jobs that satisfied their motivational needs.

Conclusion

The management team of Bankphb had an ambitious and perhaps organised strategy on how to improve on its performance, but unfortunately failed to marry its plans and objectives with employee productivity willing through effective communication. Goldhaber(1988) says that a lot of enlightened organisations are changing their views on communication. They are beginning to see communication as a process, a management system that must be managed in much the same way as all other management systems in an organisation. Hamilton (1987) also recommends that a communication audit should be performed from time to time in the organisation, so as to address such issues that are inimical to productivity and thus overall performance.