

Importance of Formal Communication in Organisation

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Abstract: *Inside any economic organization, people are interrelated, for as long as the individual performance affects and is affected by others' performance. Interrelation needs coordination of activities through providing means, fact that will lead to the achievement of organizational objectives and coordination implies communication. In conditions of fast growth of a more and more efficient use of electronic means in information field, nature, content and the way of obtaining managerial and interpersonal relationships are changing. This article presents some typical problems management of an organization is facing and the three methods of communication: in written, verbal and electronic.*

Keywords: economic organization

I. INTRODUCTION

The importance of continuously informing the employees about the general matters that influence their work role is that it leads to a better understanding of management's actions, to reducing the misunderstandings arisen in daily activities and to enhancing mutual trust between the employers and the employees. The future managers will have fewer subordinates, but they will rely (in their work) on an increased volume of information.

Formal communication typically refers to an official interchange of information. Regardless of your role within an organization, knowing how to formally communicate and recognize formal communication can help improve the way you communicate with colleagues and the company's management. Understanding and using all types of formal communication can be a valuable skill, but it requires research and practice. In this article, we discuss what formal communication is, why it's important, what the different types of formal communication are and tips on how to improve formal communication. The functional relationships among the employees will aim for the success of the organization, but the employees will have to take care that the information is transmitted and integrated within the organization. Showing interest in increasing the volume of information and in its efficient use, the manager will be successful to the extent that his skills will be evinced in the interpersonal communication. Given that people spend over one third of their active life at their work place, it is obvious that improving the communication activity within organizations can lead to improving the life quality at the work place. To communicate is to make known, to let know, to inform, to notify. Interpersonal communication can be considered as a process of transferring information where there are involved specific behaviours in transmitting the messages.

What are the key characteristics of Formal Communication?

There are 8 key features of formal communication which are mentioned below:

1. **Structured Channels:** The main criterion of formal communication is its strict adherence to appropriate channels and formats, ensuring its reach to every intended recipient within a structured time frame.
2. **Professional Tone:** It avoids the use of local slang or inappropriate language or expressions to maintain the seriousness of the conveyed information.
3. **Written Documentation:** It involves the record-keeping of written documents like memos, reports, and emails, along with verbal records like meeting recordings. This is done for future reference and legal compliance.
4. **Authority and Hierarchy:** It respects the authority of individuals by following a chain of command across various hierarchical and departmental levels while maintaining the organizational structure.
5. **Clarity and Precision:** This form of communication stresses specific terms to convey the messages to the recipients in the right tone and voice, reducing misinterpretations.

6. Organizational Context: It mainly conveys information regarding corporate policies, documents, official announcements, and legal matters.
7. Controlled and Regulated: The information flow passes through multiple review channels and aligns with the company's objectives and standards to assess the message's importance and validity.
8. Planned and Timely: They are appropriately designed and executed within a limited time frame as they look after meetings and formal documents.

What are the different types of Formal Communication

Formal Communication can be classified into 5 types based on the flow of information within the organization:

1. Vertical Communication: It is communication among individuals or groups, where the information flows across hierarchical levels within the organization. It is further classified as:
 2. Downward Communication: It is the information flow from the top-level executives to the bottom-level employees. It takes the form of instructions, directives, and goals.
 3. Upward Communication: It is the information flow from bottom-level employees to top-level executives. It takes the form of feedback, suggestions, and daily updates.
 4. Crosswise Communication: It is communication between individuals or departments and various functional areas operating within the organization.
 5. Horizontal Communication: It is the information exchange among individuals and groups across the same hierarchical level in the organization, promoting collaboration and coordination.

Why is formal communication important?

Some of the main reasons it's important to implement formal workplace communication include:

It clearly defines and establishes authority. Using formal communication within an organization helps create an efficient flow of information between higher-level and lower-level employees. This, in turn, helps subordinates know exactly what their responsibilities are and who they report to.

It improves overall efficiency. Having efficient communication usually means that overall efficiency, at all levels, is likely to improve. The main reason for that is the fact that properly implementing formal communication tends to significantly reduce ambiguities.

It reduces the likelihood of mistakes and errors. Communicating within the boundaries of formal communication tends to reduce the change of any mistakes and errors occurring, as the message is usually more clearly understood and comes from a source of authority.

It can create discipline. Clearly defining an organization's hierarchy and using formal communication for internal messaging can improve overall discipline, as everyone knows exactly who they report to and who reports to them.

It can improve work coordination. Formal communication across different departments within an organization can help them better coordinate their work, due to the unambiguous messaging and clearly defined chain of command.

It tends to be more credible when sending important messages. Using formal communication for high-priority messaging, such as company objectives, overall business directions or direct orders to employees or departments, is usually seen as more reliable and credible by the recipients, which makes it more likely that they would fully comply.

Interpersonal communication implies the existence of some relationships / connections between people and their ability to establish such links. It can be simpler or more complex, formal or informal, depending on the nature of the activity and the message and on the relationship between the sender and the receiver.

Organizational communication consists in transferring the information among the members of an organization, as well as in correctly understanding the message contained in the information.

The need for a proper and effective communication is determined by the fact that organizations are currently facing frequent social- economical changes, among which:

the organizations become more and more complex both in terms of organizational structure and production structure and of manufacturing technologies;

the market conditions and economic conditions in general, necessarily require an increase of the efficiency and quality of the products and services;

the legislative framework requires that the managers constantly adapt their organizational strategies, policies and practices to the requirements and implications arising from legal norms;
 the employees - especially the young ones, are looking, among others, for their personal satisfaction in work;
 the organizations depend from a larger communication point of view on horizontal informational channels.

As the complexity of the activity increases, the information must circulate more rapidly among the specialists at the same hierarchical level, instead of going up and down the hierarchical levels, which may unavoidably cause delays and distortions. The managers concerned with achieving a good communication and performance, must reveal to their collaborators which are the reasons of the communication. Among others, the communication is necessary because:

- the management activity may be conducted with greater effectiveness;
- it contributes to better defining and understanding the people;
- it increases the motivation and also the job satisfaction;
- it increases the employees' confidence in the organization;
- the relationship and the capacity to understand each other between the leader and the subordinate, between the employees on the same hierarchical level, or between them and the people outside the organization is improved;
- it helps people to better understand the need for change.

Any communication process involves the existence of a sender, who transmits the information / the message and of a receiver who receives the information. Figure no. 1 presents a diagram of the information's circuit.

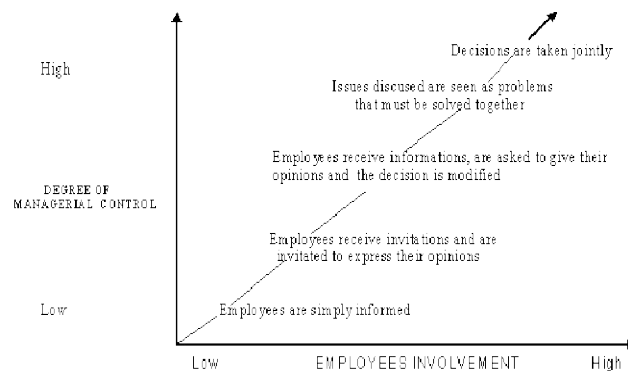


Figure 1. Circuit of the information in the communication process

Each element of the communication process has a certain content and it may be simpler or more complex according to several factors, such as: the nature and the content of the activity to which the information is referred, the level at which the information is sent and, respectively, at which it is received, the language and the used coding system, the ways and the means by which the information is transmitted and others. It should be noted that in any process of communication (be it simpler or more complex) there can occur disturbance factors that may cause distortions or a decrease of the informational content of the message.

The communication process implies the achievement of a feed- back through which to be confirmed that the message has been received and correctly and fully interpreted and as far as it is necessary, certain correctives have to be introduced.

The managers are involved, according to their position and their role, in each of the communication levels, since information is the substance underlying the elaboration and foundation of the decisions. As shown in Figure 1, in order that communication to take place, there must be some elements and the source of information / message. Communication, however, is a two-way process - it is a mutual exchange of ideas, feelings and opinions. Therefore, in any organization, the communication must take place in both ascending and descending ways.

In most large organizations, communication lines are vertical and closely related to the managerial hierarchy. The emphasis is, in this case, on downward communication, coming from the managers, and on the upward one, coming from the representative groups. Usually, both the communication flow and its weight turn the scale in favour of the organization's management. As far as smaller organizations are concerned, where labor relationships tend to be

established in the same degree both horizontally and vertically, the communication flows usually occur rather according to the requirements of collegiality than strictly following the line of authority. These are what Burns and Stalker (1961) have called “organic” organizations, unlike the “mechanistic” ones, where the emphasis is on the hierarchy. Whether these communication channels are horizontal, vertical or mixed, the decisions have to be taken regarding the communication methods that are about to be used. How can the employees be constantly informed? How can the employees' opinions be collected? How can the important issues be discussed in common? Here are some of the typical problems faced by the leadership of an organization. In present, the communication media are divided into three main categories:

- written communication methods,
- verbal communication methods,
- electronic methods.

Written communication methods

There, where information or detailed explanations are required, it is preferable to use written methods, because they are less susceptible to misinterpretation than verbal methods and they present the advantage of being able to be perceived. The news reports or the documents submitted for debate may be run over in the desired pace of the reader, thus emphasizing the difficulties and clarifying the key issues. The employees who must respond to such written methods have the possibility to relate to the material they have read or studied, after a profound documentation. Among the most widely used methods, there can be included notifications from pay envelopes, where important changes are announced, affecting thus the entire population of employees or a major segment of it, or notifications on billboards, which inform a wider audience. These two methods are particularly indicated in communicating urgent problems or issues of current order. The first is also the safest, but it is usually limited to issues of fundamental importance, such as disclosure of major changes within the organization or presenting the employers' view in a major dispute with the trade unions. The second one is more commonly used in order to keep employees informed with various events, meetings and others alike.

Some forms of communication should be expressed through brochures. The brochures may contain detailed, but less stringent information, to be consulted whenever necessary. A typical example for this method of communication is the employee's guide or manual. The employee's guide / manual contain most of the employment agreement's conditions and therefore it represents an important document in terms of relationships with the employees. The information's range contained in such a guide may cover:

preliminary data about the organization (short history, the main products / services that are offered, directors and managers names etc.).

basic conditions of employment agreement (working hours, remuneration, system of awards, holidays etc.).

conditions regarding the cases of disease;

procedures regarding the absences,

procedures regarding the work and health safety;

Some organizations distribute to their employees for information, a simplified version of their Annual Report of activity. Others edit a periodical journal. Both represent relevant ways of keeping employees informed with the new agreements and initiatives, future plans and so on. Over the last decade, the law has been more and more invoked in order to promote consultation and communication with the employees.

Verbal Communication Methods

Oral communication represents the main communication method that is used at work, no matter that is. But in the context of the present chapter, we look at the problem from the perspective of formal communication, understanding through “formal communication” the communication “planned” rather than the daily use of oral expression. In this respect, the most common communication forms are the meetings and the information sessions (operational meetings). The meetings can take different forms, but in the present context, we will refer to:

the management briefings;

the general management-employee meetings.

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In the first case, there are meetings organized by managers to directly bring into the employees' attention certain issues or to present to a public a certain point of view. The meetings in this category can or cannot be organized in such a way to encourage employees to ask questions or to put out comments. Their main purpose is that to *Present* or to *Convince* rather than *Consult* (other way said, the order word is "Listen!"). By contrast, the general meetings are destined to present a motion of introducing flexible work schedule, having a double purpose:

to inform employees about the respective motion and

to get the opinion of its representatives, including any counter- proposals that could be suggested. In this kind of situation, the managers not only talk but listen.

The information sessions (operational meetings) represent a direct form of communication between managers and the teams they lead, periodically organized but in an informal manner. Garnett (1973) considers that the most efficient way to bring to attention what is happening and why, is "through small groups and regularly." In Garnett's opinion, operational meetings do not need more than a simple and verifiable routine, through which the manager or the supervisor is able to communicate information relevant to employees during periodic meetings (monthly, for example) held at work in an unconventional manner as possible. This type of meetings, although particularly a communication method downward oriented on the managerial ladder, nevertheless assures the management the possibility to explain the reasons that led to certain decisions or events, instead of simply informing the employees about the decisions.

The general management-employee meetings can start from mixed committees, officially formed by representatives of both sides, getting to general informal meetings similar to operational meetings described above. Usually, when mentioning "general sessions," it refers to meetings of an officially formed structure, to the committee type or to the mixed committee. The general sessions refer to discussions had over some common interest issues for the management and the employees, being usually opposed to the term "collective negotiation" which is a negotiation process of issues where the interests of the parties are not the same. Clegg (1978) considers that there are three important principles of joint consultation, derived from Whitley Commission's activity (1917-1918).

By the end of World War II, as Clegg notes, "two systems for representing the workers came to be widely recognized: one for collective negotiation, generally through trade union leaders, and the second one for consultation, generally through elections where all employees were permitted to vote whether or not they were trade union members." Although since then the share of collective negotiations has considerably expanded, there is still a high degree of support for joint consultations on mutual interest issues. The extent to which the managers and the employees are actively involved in joint consultations depends on a whole number of important factors:

the managers' view regarding consultations with employees (forexample, which is their purpose);

the employees' view regarding the practical meaning of these consultations;

the relative power of the concerned trade unions;

the degree of mutual trust between the management and the employees;

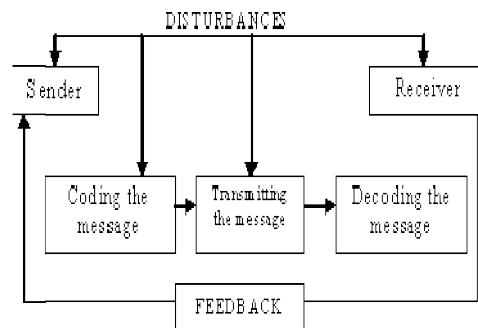


Figure 2. Possible options in joint consultation

The management members tend to consider joint consultations as a way to ensure the employees' adhesion to the already taken or at least very close to being finalized decisions. Some managers consider, however, that through this process, the employees are given the opportunity to influence and therefore change certain decisions, while others see it as a process of joint problem solving, even to the point of taking a joint decision. The position adopted by each and every

employee will depend on the quality of the already existing relationships. The range of possible options can be graphically illustrated as a diagram like the one in Figure 2.

The trade unions tend to regard the process of joint consultation as a matter, which is in competition with collective negotiation. Therefore, the trade unions' members have traditionally tried to turn all problems into subjects of negotiation, in order to reduce the effective power of the advisory bodies. As a result, the consultation did not deal with issues such as remuneration and employment agreement conditions, being limited only to issues of social support, labour and health protection and productivity level. The contemporary model of the joint consultations resembles more than anything else, to the so-called "Circles of Quality" (Quality Circles). A quality circle is a small group, consisting of employees from a directly productive sector and their supervisors, who deal in that sector, with issues such as the quality, the labor safety, and efficiency. Although many quality circles have the authority to apply changes in the working methods, they can act effectively only under the management's actual patronage. Therefore, although they are very useful, they do not represent in any way the substitute for the employees' participation, as it is seen by the trade unions.

Electronic communication methods

Although the dissemination of information and opinions through electronic means represents a relatively recent innovation, the use of computers on a larger and larger scale, of networking systems, of satellite communication and of other high technology means made possible for organizations to communicate through them. Few are the organizations to appeal to television systems in order to broadcast information such as revising retirement funds plans or progress registered on world markets. This type of communication is clearly single-sided, but there are already interactive methods that will allow receivers to make their opinions and impressions known, determined by the message received.

II. CONCLUSION

The organizations function through cooperative action of people, but each individual can take independent actions, which can be in disagreement with the politics and the instructions, or which cannot be reported properly to those people who need to be informed. The coordinated achievement of the desired results needs the existence of some efficient communication system.

By searching an answer to the question "Why is communication needed in a company?" it was observed that communicational practice and theory, coherently formulated, some explanations widely accepted (Zorletan, 1998): The functions of management cannot be handled in the absence of communication. The processes of establishing objectives, of achievement correspondence with the organisational and informational structure, of harmonization of actions and initial objectives and elimination of deficiencies, of training personnel, are based on receiving and transmitting messages. Communication is therefore crucial to the existence and success of the organization, the first responsibility of every manager.

The communication establishes and maintains relationships between employees, offering them the necessary information for orientation and evaluation of their own work regarding the work of others, the demands of the organization as a whole and its environment.

Through the feed-back achieved, communication discloses opportunities to improve the individual and general performances of the organization.

Underlying motivation process, communication makes it possible to identify the correct knowledge and use of different categories of needs and stimulus to guide employees' behaviour to performance and satisfaction.

It contributes to establishing fair and effective relationships, of understanding and mutual acceptance between the leaders and the subordinates, the colleagues, the people inside and outside the organization.

The organizations are exposed to the influence of some constant changes that affect not only the employees' work, but also their welfare, and safety. This change can be managed only if the people affected are communicated the reasons and implications for this change in terms that they can understand and accept it.

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