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Management Communication: Verbal and Nonverbal Channels

Learning Objectives

After reading the chapter and studying the materials, you should be able to:

1. Apply the essential elements of a management communication system to an organization.
2. Identify the role formal communication plays in managerial processes and describe the range of formal communication channels available to managers.
3. Employ the keys to successful face-to-face meetings with other employees.
4. Effectively manage informal communication.
5. Understand the role nonverbal communication plays in presenting and receiving messages.

3.1 Communication Systems and Processes

Learning Objective # 1: What are the essential elements of a management communications system?

Every organization, regardless of its age or size, depends on its communication system to conduct operations. Messages must reach the appropriate audiences in order for a company to survive. A key part of the well-being of a business continues to be the ability to make sure the right people receive the right information at the right time.

Chapter 1 defined management communication as all efforts to systematically plan, implement, monitor, and upgrade the channels of communication within the organization and with outside organizations that affect a company's internal operations. Management communication includes elements of planning, organizing, directing, and controlling at the strategic, tactical, and operational levels.

This chapter explores the process of creating managerial messages through verbal and nonverbal channels. We will examine various types of messages and the goals of these messages. Also, the patterns that emerge when managers communicate with their employees receive attention. Formal and informal verbal communication channels serve to deliver many of these messages. Formal and informal verbal communication channels are presented next and the means by which informal communication can be used to complement and supplement formal communication are noted. The final part of this chapter reviews the role and forms of nonverbal communication.

The Starbucks Turnaround: Strategic Management and Formal Communication

The Starbucks chain of retail stores has experienced dramatic periods of success, turbulence, and turnaround. In the 1980s, founder and CEO Howard Schultz took the concept of modeling coffee venues from Italian coffee bars and turned his organization into an espresso empire. The original concept included hiring employees as baristas, or bar persons, with strong interests in coffee products and in providing high-quality, pleasant services to patrons. Extensive training and a diverse work force became hallmarks of the organization. Over a span of 15 years, Starbucks grew dramatically (Lewis, 1997).

Schultz eventually stepped down as CEO in 2000, with the company operating 5,000 retail stores and strong sales. Under the new CEO, Jim Donald, expansion led to the addition of nearly 10,000 more stores. The rapid growth created a saturation of the market, accompanied by a decline in the quality of the Starbucks experience. In 2007, the stock value of Starbucks dropped by 42 percent, just as the U.S. economy entered a profound recession. *(continued)*



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The Starbucks chain's resurgence began with effective strategic management programs combined with quality management communication.

The rapid growth created a saturation of the market, accompanied by a decline in the quality of the Starbucks experience. In 2007, the stock value of Starbucks dropped by 42 percent, just as the U.S. economy entered a profound recession. *(continued)*

The Starbucks Turnaround: Strategic Management and Formal Communication (continued)

On January 6, 2008, Schultz returned as CEO. Within two days the stock's value had rebounded by 8 percent. Over the next three years, Starbucks eventually returned to a solid, profitable enterprise. Schultz has been widely praised for his efforts to turn the company around. His work indicates the important relationships between strategic management and managerial communication processes.

Many of the decisions made to restore the company involved strategic marketing and management efforts. Each was communicated throughout the company. Among these, Starbucks reduced the number of retail units, including 600 closures in 2009, reducing operating costs by \$850 million. Many stores were remodeled, and Starbucks replaced all of its espresso machines with the Mastrena, a sophisticated Swiss-made machine. The company replaced all of its outdated cash registers and computers, and Schultz made the executive decision to remove heated breakfast sandwiches from the menu. Schultz also completely reorganized supply chain operations with the goal of getting products to stores more efficiently and improving inventory. In 2008, only three out of every 10 orders were delivered perfectly to stores. The statistic improved to nine out of 10 orders. Starbucks created a customer rewards card to try to retain patrons in the declining economy.

Beyond these strategic activities were much more direct managerial communications efforts. To shake things up, Starbucks closed all of its U.S. stores for three-and-a-half hours in February 2008 to retrain its baristas on how to make the perfect espresso. The message was clear to all employees—things were about to change. Schultz invited employees and others to email him directly and received over 5,000 responses in the first year.

The top management team was altered with the addition of a chief technology officer, Chris Bruzzone, from Amazon.com. Schultz also shook up the senior management team by adding members of tech companies, including Google COO Sheryl Sandberg, to the company's board of directors. Outside consultants were retained to instruct Schultz and the top management team about corporate turnarounds.

Clear messages were sent to employees in many forms, beginning with retraining. Schultz explained, "We wanted to go back to our roots, to show people what we stand for, which is the perfect cup of coffee" (CNBC, 2011). Schultz decided to continue offering health insurance to his employees in order to stay aligned with the company's guiding principles. Starbucks was the first U.S. company to offer comprehensive health care coverage and equity in the form of stock to part-time employees. In June 2009, Schultz announced that he would increase partners' salaries according to merit.

Schultz summarized the three-year turnaround this way: "We enjoyed a 15-year magical carpet ride. Everything we touch turned to gold. We had convinced ourselves that success was an entitlement. Success was not an entitlement; it is something that has to be earned every day. We were going to pursue the excellence that was the very foundation of the company" (CNBC, 2011).

Questions for Students

1. What formal communications message did Schultz send during the initial parts of the turnaround?
2. Which formal communications channels best matched Schultz's approach to strategic management and employee relations?
3. What types of informal messages and gossip were likely to be circulating among employees during the turnaround period? What could Schultz have done to cope with them?

The Management Communication Process

Effective management communication requires deliberation and planning. Even though a great deal of communication occurs in the spur of the moment, many pronouncements can be constructed and delivered with greater attention to detail. The management communication process consists of four activities:

- Assess the communication environment
- Establish a message format
- Develop the message
- Authenticate the approach

Each of these activities presents the opportunity to carefully analyze the nature of the message, the medium that will be used to transmit the message product, the audience, and the intended outcome.

Assess the Communication Environment

Managerial communications fall into two general categories. **Proactive messages** announce a change, initiative, innovation, or some other new course or direction. They proclaim that the company will move into a new territory or use a new method. **Reactive messages** respond to circumstances, such as a crisis, problem, or event.

As a manager begins to formulate a message, the first step (analysis of the situation) depends largely on the type of message to be prepared. Proactive messages are often more unsettling to recipients, because change itself can make people uncomfortable or defensive (Patti, 1974). Some proactive messages broadcast positive intentions, such as company expansion, the addition of a new job title, or the company's intention to hire more employees. Others, however, create fear and concern among employees, such as when a firm declares the development of an outsourcing or offshoring program that might eliminate local jobs.

Reactive messages range from small pronouncements such as, "Fred Jones plans to retire and we are beginning a search for his replacement," to reactions to major crises. Managers should take the time to carefully prepare organizational responses to situations. Assessing the communication environment consists of the evaluation of all Ws and Hs associated with the message, as follows.

Who is the audience? A manager's internal message can target an individual, a group, a department, or the entire company. The nature of the audience determines the other steps in the communication process.

What is the intention of the message? Proactive messages may take different forms than reactive messages. Some messages inform; others persuade. The manager should know the desired outcome in advance.

When will the message be sent? Delivering messages early in the business day allows time for responses and reactions. Messages presented at the end of the day give the audience time to deliberate overnight. A message transmitted on Monday has a different context than one sent on Friday afternoon.

Where will the communication take place? A formal companywide meeting exudes a different meaning from a bulk email sent to all members. Context, such as an outside presentation in front of the home office building, provides a powerful element of the message to be sent.

How will the message be sent? Managerial communications are offered in numerous ways. Each best fits individual circumstances and the message itself.

As an example, in the early 2000s, the Arthur Andersen accounting firm contained several major divisions, one of which was Andersen Consulting. A legal decree, based on a series of usual circumstances, dictated that the larger corporation must spin off the consulting division into a separate company.

The top management team at the former Andersen Consulting knew that the first step would be to create a new name or brand for the independent company. After careful consideration, the CEO announced an organization-wide contest for members to suggest the new name. In that case, the protocol was:

Who: CEO and top management to all members of the newly formed company.

What: proactively inform employees that a contest to develop a new brand name would begin.

When: the contest commenced immediately and ended after 60 days.

Where: worldwide.

How: a companywide memo indicating all of the details of the contest.

The number of innovative names that were suggested amazed the operators of the contest. Entries were pared down to a small set of possibilities, and then to three finalists. After careful deliberation, a winner was chosen. The proclamation of the new company name took place in this way:

Who: CEO to all members of the company.

What: reactively announce (inform) the winner and new company name.

When: immediately, with implementation beginning the same day.

Where: worldwide.

How: a teleconference connected every outlet of the company.

The name Accenture was selected. Within hours, signage changed, new letterhead was designed, advertisements were created announcing the new name, and every other facet of the company affected by the name change was addressed. The successful beginning to this drastic alteration was the analysis of the situation (Accenture, 2000).

Establish a Message Format

A communication message format consists of the text of the message along with any visuals. Four elements of design include attracting attention, preparing the information to be transmitted, finding ways to reach the audience, and developing methods to ensure understanding and compliance.

Many aspects of a communication attract attention. The headline or message announcement can draw notice. A headline may take the form of the message line in an email, the banner at the top of a memo, or through attractive and exciting visuals. In the case of Accenture, the announcement of the contest in written form could have contained a cover with art and an exciting title, such as “Win this contest!” When the contest winner was announced, attention was gained by holding a worldwide teleconference to make the announcement. The event was set up by first informing all employees via email that the winner had been chosen, which gave employees time to gather together to watch the announcement on television screens.

Information may be formulated in several ways. The primary consideration normally will be the type of message to be presented. Informative messages often use a **standard presentation format**, or:

- Introduction and forecast of the message parts
- Body that presents the message in distinct units
- Conclusion that reviews the units and message

In essence, the standard presentation format consists of “tell them what you’re going to tell them, tell them, then tell them what you told them.” It focuses on recall and retention. Visuals take the forms of bullet points in PowerPoint slides, charts, graphs, and summary statements. A photo or illustration can reinforce the message. Messages usually are factual, to the point, and not dramatic (Wiig & Wilson, 2000).

In contrast, an **unfolding presentation format** often accompanies a persuasive message. The approach involves building a logical sequence of arguments leading to a dramatic, persuasive conclusion. In essence, A leads to B, B leads to C, and C leads to D. A may be, “We need to cut costs in order to remain competitive,” and B is, “to cut costs, we need to lower our employee expenses.” Then C is, “our largest employee expense is benefit packages,” leading to D, “if we want to stay in business, employees are going to have to agree to fewer benefits.”

The leaders of General Motors made such an argument with regard to health care expenses in the late 1990s. Company executives pointed out that health care costs contributed to the overall cost of producing each car, leading to a competitive disadvantage when compared to foreign car manufacturers that did not provide health care coverage for employees (Connolly, 2005). Naturally, the argument met with a great deal of resistance from employees and unions.

Unfolding presentations may be accompanied by emotional visuals and often by dramatic or inspiring music that build to a crescendo as the major conclusion is drawn. The

language used in unfolding presentations will often be more emotive, relying as much on emotions and logic to make key points, such as, “We don’t want to see the company fail, do we?”

Written unfolding presentations include extensive use of oversized print, boldface, italics, underlines, and exclamation points. As an example:

You don’t want *foreign companies* to take away our customers, do you?

Many of you have probably received unfolding presentations using persuasion techniques from political parties in email or standard mail flyers.

For Review

When designing formal communication messages, what two presentation formats may be used?

Develop the Message

A single individual or a team can carry out the next step in the process, developing the message. Effective writers and speakers may not require the assistance of others. Those with fewer talents in these areas, or those who prefer collaboration, pull together sets of people with unique abilities. A high-quality verbal or written message product combines the words, images, and sounds that present the message product as intended.

Verbal message products include interpersonal communications, meetings, presentations, and speeches. Written message products include letters, memos, emails, proposals, and special reports. Much of this text is devoted to helping you create high-quality messages.



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Many management communication messages are developed and refined through collaborative efforts.

Authenticate the Approach

Authenticating the approach involves making sure the message will be communicated as intended. A thorough verification process includes a review of the goals, audience, media, message development, and timing of the message product release. An effective communicator knows that, more often than not, the secret to presenting an effective message involves not just writing the words, but several rounds of rewriting and revising the message, and then knowing exactly when to release it.

During the process of authenticating the approach, all information provided in the text and in visuals should be rechecked for accuracy, in both oral and written presentations. The same is true of the message itself. Remember that an emotional or persuasive presentation may run a greater risk of leading the audience to misinterpret words. This suggests that a major part of the process involves understanding how the message will be received.

For Review

What are the four steps in the management communication process and what do they involve?

Explain proactive and reactive managerial communications.

Types of Messages and Communication Goals

Company leaders guide organizations through dull periods and dramatic challenges. Messages vary from straightforward concepts to complex presentations designed to change attitudes, opinions, or values. Table 3.1 indicates a series of messages and their goals and the corresponding degree of complexity associated with each goal.

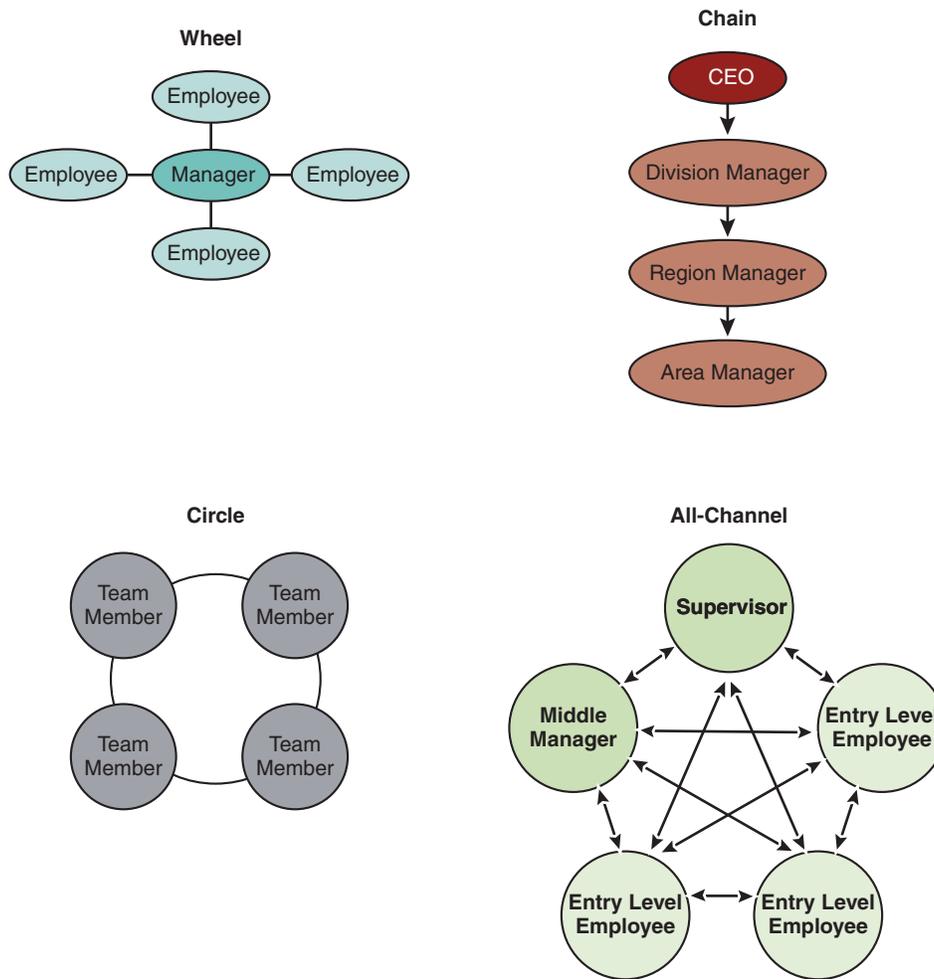
| Type of Message or Goal | Degree of Message Complexity |
|--|------------------------------|
| Remind Schedule/coordinate | Lowest |
| Inform Solicit input Report findings | Moderate |
| Persuade | Highest |

A message designed to remind can target individuals, groups, or the entire organization. Reminders of meetings, deadlines, and other time-related issues are commonplace. Messages that schedule or coordinate activities are sent to sets of individuals working on a common project or task. Planning processes dictate schedules. Informational messages vary more widely. At times, the information can be relatively mundane; at others, key organizational events, outcomes, or decisions are transmitted. Soliciting input ranges from collecting opinions to gathering full sets of data in order to make the most informed decision possible. Reporting the findings requires complete descriptions of an analysis and may invite further discussion and evaluation. The greatest message complexity occurs in attempts to persuade, because either a logical or emotional presentation designed to change an attitude must be constructed. Faulty reasoning or lack of a compelling argument may cause the persuasion attempt to fail (Burnes, 2004).

Patterns of Communication

Each organization is unique. Company leaders design organization structures suited to the organization's unique needs. The same is true of communication systems. At the same time, in the case of both organizational structure and communication systems, certain identifiable patterns emerge. Four of the more common in business settings are the chain, wheel, circle, and all-channel communication patterns, as displayed in Figure 3.1 (Guetzkow & Simon, 1955).

Figure 3.1: Patterns of managerial communication



The four most common patterns of managerial communication include the chain, wheel, circle, and all-channel forms.

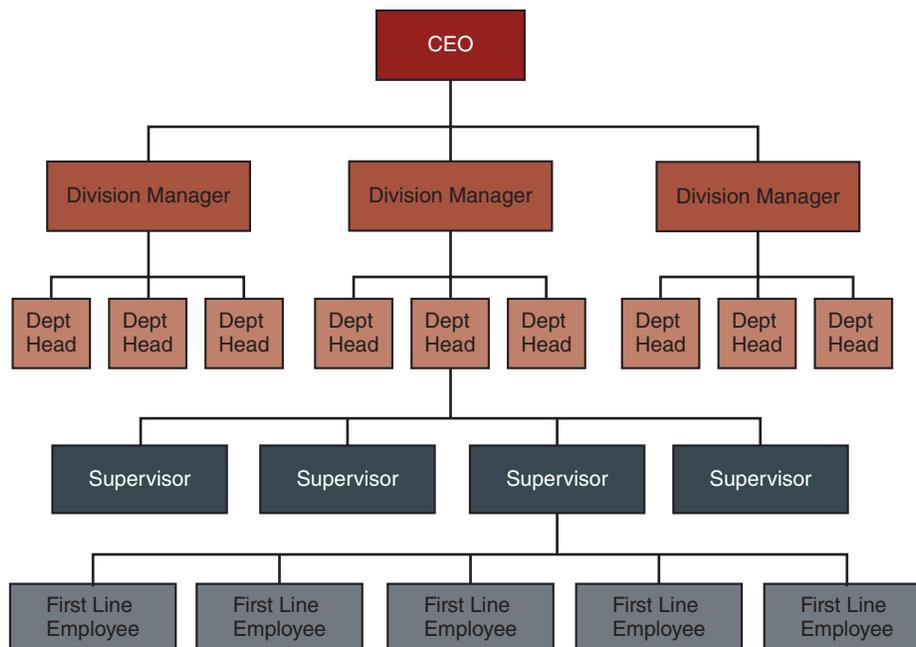
Source: From Griffing/Moorhead, Organizational Behaviour, 7th ed. Copyright © 2004 South-Western, a part of Cengage Learning, Inc. Adapted by permission. www.cengage.com/permissions

Chain

The chain approach to management communication parallels the term “chain of command” or “hierarchy of authority.” Messages flow primarily in two directions, upward and downward. Top managers issue orders and relay decisions to middle managers. Middle managers transfer the information to first-line supervisors. First-line supervisors inform entry-level workers. Questions, inquiries, and requests for clarification follow the reverse order.

Directives sent through the chain approach to management communication indicate **centralization**: a form of organizational structure in which a low degree of delegation of decision-making, authority, and power takes place. Lower-level employees become “order takers” and “order followers” in such a system. Managers and employees who violate the chain of command by communicating directly with other departments “walk the gangplank,” by disrupting the communication system, in the words of noted management scholar Henri Fayol (1949). The chain design can be characterized as a **mechanistic** approach to organizational communication, largely driven by rules, procedures, titles that indicate organizational status, and formal relationships between employees (Woodward, 1958).

Figure 3.2: An organizational chart



The chain model often accompanies a centralized form of organizational structure.

The chain design offers benefits to certain types of organizations. Figure 3.2 provides an example of a basic organizational chart. The chart fits a chain design in which precision in carrying out tasks or assignments holds high priority. Military and police organizations serve as prime examples; however, the chain only works well within the organization rather than when one unit (police) must coordinate with other units (fire, storm cleanup

departments, etc.). The chain model can also be found in companies that produce standardized products, with few needs for innovation or change.

Wheel

In a wheel arrangement, a manager or supervisor becomes the center of the wheel, with individual spokes, or communication channels, connecting the manager to subordinates. In such a system, the manager retains information and dispenses it to employees as needed, serving as a control center. Individual employees communicate only with the manager and not with one another.

The wheel approach may be used in task forces or project teams, especially when members are disbursed geographically. For example, should a team be formed to identify and purchase a new manufacturing site, members of the group may be sent to a variety of locations where they collect information about the costs of land, the availability of contractors and laborers, access to transportation systems, the nature of the local government, prevailing wages, and other factors. Each reports to the head of the task force, who then can relay the information to decision-makers. A similar situation arises when teams are disbursed to various countries to identify those that would be targets for international expansion.

Normally, a wheel approach would not fit an ongoing managerial circumstance. Over time, employees are not usually isolated from each other on a continuing basis. Exceptions are possible, such as when a series of park rangers reports to a central office regarding fire threats and other activities in the park system.

Circle

A circle resembles the wheel approach, only without the central hub. In a circle system, members communicate freely with other members, even when one member of the circle is the formally designated leader. The flow of communication, however, goes around the wheel, clockwise or counterclockwise. This method matches work that takes place sequentially. One member's end product becomes the beginning point for the next member.

The circle approach may be found in task force operations as well as in laboratory settings in which experiments take place in a carefully constructed format. It might also fit certain creative endeavors, such as preparing advertisements or market research projects.

All-Channel

In an all-channel communication arrangement, messages move freely across organizational ranks and members of a team, group, or department. Members determine the persons that should receive messages, regardless of title or status.

The all-channel approach creates **decentralization**, or an organizational operation characterized by substantial delegation of authority (Goodman & Pennings, 1979). The system represents an **organic** approach to communication structure, with few rules, little attention paid to titles and ranks, and a strong emphasis on organizational flexibility and adaptability (Woodward, 1965).

The all-channel approach to communication design matches an increasing number of departments and companies. Many Internet firms, such as Google, maintain open work spaces in which doors and walls are not used. Employees move about freely and are encouraged to develop and propose new, innovative ideas. Managers work side-by-side with other organizational members.

The all-channel method empowers employees and encourages innovation. Consequently, it has often become the method of choice for research and development departments as well as other units that emphasize creativity.

| Pattern | Common Messages |
|-------------|---|
| Chain | Memo/directive, bulk email, formal presentation by manager, little or no feedback expected |
| Wheel | Interpersonal conversations, email exchanges, calls, meetings directed by a supervisor, feedback needed |
| Circle | Checklist with notation when task is completed, interpersonal conversations between members, emails, calls, less-structured meetings with feedback expected |
| All-Channel | Interpersonal conversations, unstructured meetings, emails, calls, constant feedback in all directions |

In summary, you probably would not be able to go into a company and quickly identify the communication pattern. Some clues may be obtained from the information provided in Table 3.2. Most organizations, however, contain elements of least two of the systems. Some projects are directed using a wheel, others with a circle (Lim & Benbasat, 1991). Other companies may maintain an all-channel approach organization-wide, but use a wheel or circle in certain circumstances. The least-flexible chain approach, while less common, may be the most visible to an outsider.

3.2 Formal Communication and Channels

Learning Objective # 2: What roles do formal communication and the use of various formal communication channels play in managerial processes?

The messages and channels described in the previous section apply to formal communication systems. **Formal communication** consists of information that travels through organizationally designated channels. Formal communication takes the form of verbal transmissions and written media. The channel selected by a manager depends on the type of message to be sent.

For Review

What four primary patterns do formal managerial communications exhibit?

Types of Formal Messages

Formal communication systems move information throughout the organization. The information can travel upward, downward, laterally, or in all directions at once. The most common types of messages transmitted via formal channels include:

- Job instructions
- Job rationale
- Standardized information
- Team and group coordination
- Questions and answers
- Decisions and plans
- Ideological indoctrination

Job instructions appear in many forms. A direct address by a supervisor instructs an employee how to carry out a task or set of tasks. Employee training programs provide information to new hires. Performance appraisal systems correct ineffective performance. Mentoring programs render additional insights and information about how to successfully perform a task or job.

A job rationale answers the “why” questions. In other words, managers explain why a job should be completed in a certain way and the reasons the job is important. A manager provides the rationale for the job when he or she tells the employee, “We do the job this way, because it saves time” or, “We ask you to compile sales statistics by store so that we know which products do well in each unit, and which do not.”

Standardized information consists of items that apply equally to everyone in the firm, or to every person in a given department. Examples are the company’s list of rules, protocols for evacuation in case of an emergency, plus any procedures that apply to specific units in the company. Standardized information in a retail store consists of how inventory will be managed (move the oldest merchandise to the front of the shelf), how cash will be handled (leave \$100 in bills and coins in the register each day), plus protocols for accepting two-party checks and other forms of payment. Standardized information in the production department includes safety procedures and rules, and methods for completing each task. Standardized information in accounting contains messages about which procedures are used, such as methods of depreciation and methods of valuing inventory.

Team and group coordination messages set meeting times, dates, and deadlines, plus help to establish relationships between members. Members of the workplace safety committee know that the group meets the third Monday of each month, that a deadline for completing a report about a recent series of accidents looms, and that the committee always consists of six members, two from production, one from human resources, one from quality

control, and two other individuals. Systems for electing a committee chair may also be part of the coordination effort.

Questions and answers move upward, downward, and laterally in business organizations. Questions may be posed by employees to managers, by managers to employees, or by members at the same rank, such as supervisors to one another.

Decisions and plans shape the direction of the company. Managers convey them verbally and in writing. Effective organizations chart planned courses that every employee can understand and follow.

Ideological indoctrination statements tell employees, "This is a great place to work." At times, the message begins with a company's statement of mission. Support for ethical behaviors, social responsibility, and the conservation of resources accompanies ideas about the company's internal environment as welcoming and helpful.

For Review

What types of messages are delivered through formal communication systems?



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Ideological indoctrination seeks to convince employees that they are working for a great company.

Information Richness

One of the methods used to describe business and management communication employs the concept of **information richness**, or the potential information carrying capacity of a communication channel. At one extreme, rich communication means the channel provides opportunities for feedback, a full range of visual and audio communication, and it presents the opportunity to personalize a message. At the other extreme, a lean channel offers no venue for feedback, is impersonal, and only a limited amount of information can be transmitted (Lengel & Daft, 1988).

Figure 3.3 summarizes the continuum from the leanest channel to the richest channel.

For Review

Explain the concept of information richness in terms of both rich and lean channels.

Formal Verbal Communication Channels

Business and management communication, like every other aspect of commerce, has been drastically influenced by technology over the past half century. The rate of change in communication technology appears to be increasing. The result is a growing list of methods to transmit business communications and management information verbally. Beyond face-to-face interactions, the other formal verbal communication channels currently utilized on a daily basis by managers and employees are:

- Telephone/mobile phone
- Videoconferencing
- Social media such as LinkedIn and Google Plus
- Conference calls
- Meetings
- Presentations

Additional information about presentations appears in Chapter 10. Presentations include speeches made to in-house audiences and the general public, and in public relations settings. Presentations differ from other formats because the speaker takes time in advance to shape a message and any accompanying materials, such as a PowerPoint, Keynote, InDesign, or other visual aid. Team and group dynamics are discussed further in Chapter 9.

Telephone/Mobile Phones

The telephone continues to be widely used, even though it is a less information-rich verbal communication channel. Three types of telephone calls can be made. Land lines normally offer the highest-quality signal, with less static and fading of reception. Internet-based phones such as Vonage and Skype, or similar technologies, vary in terms of the quality of transmission and reception. Mobile phones can be unreliable and often vulnerable to distortions of sound.

Currently, employers rely on all three modes of telephone for communications with employees, customers, and others. In a business context, the keys to quality phone communication can be summarized as expediency, attitude, courtesy, listening, and focus.

Expediency means that the caller and the recipient both realize that business transactions and interactions cannot routinely involve lengthy phone conversations. Successful telephone attitudes are businesslike, professional, and cordial. Courtesy includes highly restrained use of the “on hold” feature of a phone. Listening employs all of the techniques described in Chapter 2. Focus means not multitasking during calls and instead working deliberately to achieve the call’s intentions.

It may be helpful to jot down a few notes, or talking points, prior to making or receiving a call. If necessary, some messages may be almost “rehearsed” before dialing. Rambling, incoherent calls often alienate the recipient. Table 3.3 summarizes other keys to effective telephone conversations.

| Table 3.3: Keys to effective telephone conversations | |
|---|---|
| Call Initiation | |
| Caller: | |
| | Identify yourself, your company, and the reason for the call. |
| Receiver: | |
| | Ask how you can help. |
| Both: | |
| | Use a friendly helpful tone. |
| During the Message | |
| Caller: | |
| | Directly state the issue to be resolved. |
| Receiver: | |
| | Clarify any request or transmission of a message. |
| Both: | |
| | Take notes of what transpires. Repeat key points. |
| Call Resolution | |
| Caller: | |
| | Summarize the call’s purpose and desired response or action. |
| Receiver: | |
| | Indicate what action will be taken, such as referral to others, will call back with an answer, etc. |
| Both: | |
| | Collect follow-up names and numbers if other parties will be involved in the resolution. |
| Ending the Call | |
| Both: | |
| | Make sure caller and receiver are both satisfied. Thank the other person for his or her time. |

Source: Cornett, J. E. (2011). *Techniques for effective telephone communication*. eHow, Money. Retrieved from http://www.ehow.com/way_5749408_techniques-effective-telephone-communication.html



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When leaving a message on voice mail, clearly identify yourself your company, and a return number, and make a short statement about the purpose of the call.

Additional advice includes returning calls promptly. Never implicate a secretary or some other employee as an excuse for failing to return a call. Try to answer the phone before it rings four times.

When leaving a message on voice mail, clearly identify yourself, your company and a return number, and make a short statement about the purpose of the call. Also, note times you can be reached with return calls. Remember to take into account time zone differences when the call is to another part of the country or world.

Videoconferencing

A videoconference involves many of the same issues as an in-person meeting. People must find time in their schedules to be in the right place, an agenda should be prepared in advance, time frames are established, and managers must be certain to guide the conference so that all items are covered in a timely fashion. Guidelines for attending and managing videoconferences are provided in Table 3.4.

Table 3.4: Videoconferencing protocols

| Manager or Leader | Participants |
|--|--|
| Schedule the meeting in advance | Confirm your availability |
| Confirm the time with all participants | Confirm your commitment |
| Arrive early to make sure the system works | Prepare for participation with notes, papers |
| Ask each participant to identify him/herself | Identify yourself when you speak |
| Don't read prepared statements | Keep your language and ideas precise |
| Stop people from rambling | Don't ramble |
| Summarize, reinforce key ideas | Compliment good ideas <i>(continued)</i> |
| Finish on time | |
| Distribute minutes of the videoconference | |

Table 3.4: Videoconferencing protocols (continued)

| Both |
|---|
| Wear clothing that plays well on a screen |
| Write down the names and locations of all participants |
| Try to make eye contact with the camera |
| Don't become frustrated by delays |
| Speak a little more slowly than your normal rate |
| Don't engage in side conversations with others at your site |

As a communication medium, videoconferencing generates visual contact in the sense that you can see people in other locations. At the same time, eye-to-eye contact cannot be made. Discerning other nonverbal cues also becomes more difficult. Distracting technological problems can occur. Time differences should be accounted for. A meeting scheduled for 1 p.m. on the East Coast will be noon (lunch time) in the Midwest. A 4 p.m. meeting on the West Coast means someone in New York would have to stay until 7 p.m. to take the call. Calls from the United States to other countries must also be carefully scheduled to take into account differing time zones.

Videoconferencing as a management communication medium is likely to increase in the coming years. Improved picture quality, declining costs of operation, convenience, and increasing costs for physical travel make videoconferences an attractive option. Many managers have concluded that this slightly less information-rich venue provides a high-quality alternative to flying and staying in hotel rooms across the country and around the world.

Conference Calls

Conference calls continue to experience wide usage. Conference calls provide a low-cost option to gather a limited number of people to verbally communicate in real time. The protocols that apply to meetings and videoconferencing events are the same for conference calls. Participants receive advance notice, a small agenda, and should also be given follow-up descriptions of the conversations.

Conference calls are leaner information channels than videoconferencing, because of the lack of visual contact of any kind. Vocal messages and inflections are transmitted; however, nonverbal cues and other methods of transmitting information are absent.

In addition to the advice given for videoconferencing, extra care should be given to the phone device. Make sure you are close enough to be heard on a speaker phone. Remember that your voice stops the signal coming from the other end of the line. Allow time for responses and pauses. Also be aware of distractions you can cause by shuffling papers, tapping on a table, chewing gum or candy, or in other ways.

3.3 Verbal Face-to-Face Interactions

Learning Objective # 3: What are the keys to successful face-to-face meetings with other employees?

Even in today's fast-paced, highly technologically dominated world, a considerable amount of business and management communication still take place in person. Many times, only a face-to-face meeting fulfills the purpose. Members at every level of the organization experience in-person verbal communication on a daily basis.

Verbal communication in person offers the richest communication channel, because information transfers in the forms of verbal cues, facial expressions, bodily movements, appearance, the use of space, the use of time, physical contact, and the potential to supplement messages with other media, such as written notes, symbolic items, and electronic media. Face-to-face communication processes take place in formal conversations and casual meetings.

Formal, In-Person Face-to-Face Conversations

Formal, in-person interactions often take place as important subjects or issues arise. Examples of times when formal interpersonal meetings are in order include job interviews, direct orders by a supervisor for key job assignments, disciplinary notices, performance appraisals, and to resolve conflicts. A formal meeting or "being called into the boss's office" often creates a degree of anxiety in the employee's mind. Consequently, from a manager's perspective, a well-planned formal meeting includes the following elements:

- advance notification, including at least some idea about the purpose of the meeting
- choice of the proper setting
- attention to the meeting opening
- consideration about how the message will be presented
- the manner in which to close the meeting

No one likes being blindsided. Advance notice allows both parties time to prepare for what will transpire. The nature and seriousness of the meeting determine the setting. Options range from the manager's office, to a conference room, to a break room, or even a walk outside. Someone about to receive a disciplinary action will probably not want to hear the news in a break room. The opening may include a handshake, an informal

greeting coupled with an invitation to sit down, and often an expression of thanks for coming to the meeting.

The message presentation constitutes the most important element of a formal face-to-face meeting. The manager decides whether the meeting will take the form of a presentation or a conversation. Four methods of conducting a one-on-one meeting are: tell, sell, consult, and the joining style. A telling style largely entails presenting information and seeking comprehension. The selling style incorporates persuasion into the presentation of ideas. A consulting style encourages interaction and an exchange of ideas. The joining style represents a complete collaboration with the employee.

From the employee's perspective, preparation for a formal meeting includes thoughts about how to respond to the message. Accepting compliments with the appropriate degree of deference communicates your intentions to be a team player. Also, remember that the employee's body language communicates as the manager is speaking. The employee should anticipate the meeting's closing. A manager who rises and makes concluding remarks is finalizing the interaction.



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A formal meeting or “being called into the bosses’ office” often creates a degree of anxiety in the employee’s mind.

Informal, In-Person Casual-Setting Conversations

Casual meetings occur at office parties, company-sponsored events, break rooms, and in other venues where employees gather with no formal agenda. Face-to-face meetings with managers are often spontaneous. Preparation for such events includes trying to remember something about each person you will encounter. It can be a family event, such as a new baby or the marriage of a son or daughter, a personal event such as a recent promotion or having won a contest, or a person's favorite hobby. The ability to interact in casual settings such as these helps make the workplace experience more pleasant and often can lead to friendships or other social encounters.

Chance meetings in the hallway or parking lot can open the door to important conversations. They serve as times to remind someone about an important task, or to pass along a key piece of information, or to engage in relationship-building that enhances professional

structures. Following informal greetings, it is possible to mention business-related subjects in a low-pressure context.

For Review

What steps should be followed when setting up formal face-to-face conversations?

In addition to face-to-face conversations, managers use what other formal verbal communication channels?

3.4 Informal Verbal Communication Within Organizations

Learning Objective # 4: How can managers effectively manage informal verbal communication?

A substantial portion of messages transmitted in a company either does not flow through an authorized channel or is dedicated to a topic that does not serve the organization's interests. **Informal communication** emerges in everyday life in organizations. Other names for informal communication include gossip, rumors, and the grapevine. The military uses the term "scuttlebutt" to describe informal communication.

As a manager, you should not ignore the rumors that swirl about an organization. More important, the channel transmits a great deal of information that may have value. It will be your job to try to manage the informal communication channel. Doing so involves four activities:

1. understand how it works
2. tap in
3. transmit messages
4. deal with false rumors

Managers who tend to the informal channel appear to be in the know. Those who do not may be considered outsiders to those in the company.

Understanding Informal Communication

Four key elements should be considered when thinking about gossip. First, it travels quickly. In this electronic age, an indiscretion or rumor quickly will be posted on social media, and from there it becomes impossible to stop. Even prior to the emergence of Twitter, Facebook, and other sites, rumors have always "spread like wildfire" (Davis, 1969).

Second, managers should understand that both information and misinformation travel through informal channels. Estimates are that nearly one-third of all rumors have faulty

information or mistruths contained in them (Davis, 1975). Any rumor deserves a considerable amount of skepticism.

Third, rumors are tuned to employee needs. In essence, people gossip about the things they think are interesting. Table 3.5 provides common gossip topics.

| Table 3.5: Rumor subjects |
|--|
| Employee pay (especially in closed pay systems in which salaries are not disclosed to employees) |
| Personnel decisions <ul style="list-style-type: none"> • Who will be promoted? • Who is about to be terminated? • Who will be transferred? • Who will be laid off? |
| Company strategic direction <ul style="list-style-type: none"> • Outsourcing • Layoffs • Acquisitions and Mergers |
| Office romances |
| Sexual identities/orientations of co-workers |
| Conflicts between organizational members |

Source: Adapted from Baack, D. (1995). *Organizational behavior*. Houston: Dame Publications, p. 326.

Fourth, gossip creates social power. Informal communication includes elements of socialization in which those who have access to rumors feel socially included (Kurland & Pella, 2000). Four aspects of social power created by gossip are reward power, coercive power, expert power, and referent power.

Positive gossip, or saying favorable things about other people, generates reward power. When a co-worker shares positive news about a colleague, people often attribute positive characteristics to the person sending the message. The transference results from rewarding others (French & Raven, 1959).

Negative gossip creates coercive power, based on the ability to punish. Someone passing along a negative message about a co-worker may create the perception that he or she has additional negative information about other organizational members. Holding this type of information generates the potential to damage careers and can be used to threaten others (Emler, 1994).

Gossip influences referent power, or power based on social status and likability. Someone who gossips draws recipients into a social circle (Dunbar, 1996). Recipients may believe the gossipier has social influence and is an insider in a social network, especially

when the gossip is positive. On the other hand, a negative gossip may lose referent power, because recipients believe that providing the information is improper or even immoral, leading them to look unfavorably on the gossip (Levin & Arluke, 1987).

Gossip may increase a person's expert power, or influence gained by having knowledge and expertise. The gossip gains power based on perceptions that the person has access to relevant information about the work environment. Over time, the gossip becomes viewed as a person who helps others adapt to the workplace (Kurland & Pelled, 2000, p. 430).



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Oftentimes, gossiping becomes the equivalent of playing with fire.

In general, spreading gossip can increase or diminish a person's power. Oftentimes, gossiping becomes the equivalent of playing with fire. Some negative consequences of workplace gossip may include:

- Lost productivity and wasted time
- Erosion of trust and morale
- Increased anxiety among employees as rumors circulate without any clear information as to what is fact and what is not
- Growing divisiveness among employees as people "take sides"
- Hurt feelings and reputations
- Jeopardized chances for the gossipers' advancement, as they are perceived as unprofessional
- Attrition as good employees leave the company because of the unhealthy work atmosphere

Tap In

In the past, managers would seek to find ways to hear what was being passed along informally. The phrase "having a pipeline" describes this activity. With the emergence of instant messaging and social media, discovering what employees are talking about has become increasingly simple. The manager can then determine which rumors demand a response and which do not.

Sending Messages

As the previous section suggests, most of the time, rumors should be avoided. The best messages to be sent informally are positive news. Managers can pass along compliments

informally, with positive results for the person being complimented as well as for the manager, who will be seen as being generous with praise.

Some managers also will engage in “trial balloons,” whereby ideas are tested informally. A manager in a break room asks how salespeople would feel if the company moved from a commission-only pay system to a salary-plus-commission program, in order to reduce pay volatility and levels of stress. Clearly, the sales team will talk about the idea, and the manager will receive feedback. Kicking around ideas can be a useful managerial tool, especially when employees trust the manager.

Dealing With False Rumors

The presence of continuing false rumors means managers should be continually aware of what happens in the channel. Many times an untrue piece of gossip lingers simply because telling it is more fun than revealing the truth. At times, persistent rumors have been called urban legends in the workplace. Action should be taken when a negative rumor continues to damage the standing of an employee or of the company.

Two primary strategies exist for dealing with false rumors. The first option involves formally refuting the rumor. Managers can send messages in either verbal or written form contradicting the derogatory information. Such messages must be carefully crafted or they run the risk of making a rumor more credible. The best approach includes presenting tangible evidence that a rumor is inaccurate.

The second strategy relies on dealing with the rumor in the channel. A manager can simply pull aside key employees and talk about why the story is not true and point out the damage the rumor has caused. The manager can also suggest that if the gossiper is discovered, consequences will follow (Davis, 1975).

For Review

How should a manager deal with information communication?

What should a manager understand about rumors?

What are the four kinds of social power that can be generated by gossip?

Meshing Formal and Informal Communication

Formal communication channels provide key information to key personnel so that tasks can be successfully completed on schedule. Managers spend time crafting verbal messages to be presented in the proper setting and in the proper tone. Employees who pay attention to formal messages succeed. Those skilled at formal communication enjoy a major career advantage.



Ryan McVay

Coping with falsehoods sent through informal communication channels represents both an art and a science.

Verbal informal communication continues to be a natural part of the workplace. Knowing that rumors will persist and the kinds of subjects that are fertile grounds for gossip, and that they can be a source of social power, all imply that managers should become involved in the channel. A continuing debate revolves around the question of whether managing constitutes an art or a science. In truth, both elements contribute to a successful managerial style. Coping with falsehoods represents both an art and a science.

Ethical Implications of Informal Channels

Beyond formal verbal channels, informal channels make work life more interesting. People gossip because it's fun. As an ethical employee, avoid passing along harmful messages, whether they contain truth or not. You should be especially unreceptive to statements that demean others based on gender, race, religion, sexual orientation, or other personal characteristics, such as

being overweight. A substantial amount of popular press suggests completely avoiding gossip, simply because it makes you look "small."

From a larger vantage point, however, recognizing that informal channels do present truthful, favorable messages represents an opportunity. You can become known as the employee who always puts in a good word about others. In that way, informal communication can complement and supplement formal messages in a pleasant and positive fashion.

3.5 The Role of Nonverbal Communication

Learning Objective # 5: What role does nonverbal communication play in presenting and receiving messages?

In interpersonal communication, the tone, the actual words, and the nonverbal cues complement and complete every message, which means nonverbal cues deserve careful attention. Nonverbal communication plays a major role in one-on-one interactions.

Nonverbal communication takes place in a context in which the same words may have different meanings. It consists of several cues being transmitted simultaneously (raised eyebrows when passing along a rumor). Social norms dictate whether various nonverbal cues are acceptable or should be discouraged, for example, using obscene gestures will likely be frowned upon on the job. Nonverbal cues provide information about the verbal message and are considered in that context (deVito, 2009).

The concept that nonverbal communication takes place in a context suggests that folding your arms and leaning back, in one context, may mean you're relaxed and are taking everything in; in another, the same body language suggests frustration or boredom. Packages or clusters of nonverbal cues are normally transmitted, which means that not only do words matter, but also eye contact, hand gestures, posture, pacing, facial expression, leg movements, and breathing will be considered simultaneously with the words. Social norms strongly influence the interpretation of nonverbal cues. The "V"



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The "V" signal made with two fingers meant "victory" during World War II in England, "peace" during the Vietnam war in the United States, and is an obscene gesture in some cultures.

signal made with two fingers meant "victory" to Englanders during World War II, "peace" to Americans in the United States during the Vietnam War, and is an obscene gesture in some cultures. A wink signals flirtation in one context and that "you're an insider" in another.

Nonverbal communication may transmit a message or meaning that contradicts what is being said verbally. Someone who disagrees with you may verbally signal concurrence but will send other signals, such as looking away or looking down, that contradict the message. The combination of verbal and nonverbal cues can send a strong message. A person expressing adamant support for an idea may pound a fist or shake one in the air.

Nonverbal cues communicate even when you are trying to avoid sending a message. When you are sad or frustrated, body language may send that message even when the words are "I'm okay" or "I'm fine."

Forms of Nonverbal Communication

Many forms of nonverbal communication take place. People make judgments about the words you speak, but many other factors come into play as they interpret the message. Among the more notable forms of nonverbal communication are:

- kinesic cues
- appearance
- dress
- artifacts
- touch
- space
- paralanguage
- time
- manners

Kinesic Cues

Kinesic cues are messages communicated by nonlinguistic body language or movements. These include messages conveyed by various parts of the body (Birdwhistell, 1970). Examples of kinesic cues are provided in Table 3.6.

| Body Element | Movement | Interpretation |
|--------------|-------------------|------------------------------|
| Head | Nodding | Agreement, listening |
| | Tilting | Interest |
| | Downward movement | Defensiveness |
| Eyes | Gazing | Attentive, honesty |
| | Shifting, darting | Uncertain, lying |
| | Staring | Intimidation |
| Mouth | Smile | Enjoyment, pleasure |
| Shoulders | Leaning forward | Interest, rapport |
| | Leaning away | Lack of interest, skepticism |
| | Slouching | Low self-esteem |
| Hands | Touching others | Powerful |
| | Touching self | Nervous, anxious |
| | Hand over mouth | Wishing to escape |
| | Hands on hips | Challenging |
| Arms | Crossed | Closed to ideas, bored |

Sources: Adapted from Pentland, A. (2008). *Honest signals: How they shape our world*. Boston: M.I.T. Press, 10–40, 105, and Malandro, L. A., & Barker, L. (1983). *Nonverbal communication*. Reading, MA: Addison-Wesley Publishing, 226–230.

Appearance

Appearance contains elements that you can control and some that are less controllable. The less controllable element is physical appearance in terms of what others consider to be attractive. Several studies indicate that people who are physically attractive enjoy a kind of halo effect, in which others assume they are more intelligent, witty, charming, and even more honest (Harper, 1993; Schoenberger, 1997).

The other component of appearance can be controlled. Hairstyles, dress, and the use of make-up also convey nonverbal images and messages. Think, for example, of how you react to someone wearing sunglasses indoors in a dark room or at night. Gaudy make-up or ostentatious hairstyles attract a certain type of attention, which may convey the

image of being unprofessional or of someone who need not be taken seriously. Tattoos also send messages, especially visible, extreme versions. Women wearing low-cut, provocative, and revealing clothing send different nonverbal messages than those with conservative outfits. Men who insist on unbuttoning one more button to reveal more chest also send messages.



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Artifacts

Artifacts include additional items, such as jewelry, eye-glasses, and even the car you drive. Piercings, while more common, still connote an element of rebellion to many people. Both men and women notice expensive rings, necklaces, and other forms of jewelry. And, some may judge a person who drives an old, beat-up car as less successful and talented than an individual in the same profession who drives an upscale vehicle.

Appearance contains elements that you can control and some that are less controllable.

Touch

Physical touch has undergone a metamorphosis, in terms of what may be considered acceptable or unacceptable. An incident involving President George W. Bush placing his hands on the shoulders and neck of German chancellor Angela Merkel created a great deal of consternation. Hugging, back-slapping, and other forms of touch have largely been removed from the workplace, unless express permission has been granted.

One element of touch, the handshake, continues to convey important messages. A firm handshake accompanied by eye contact expresses confidence. A weak handshake with eyes averted signals shyness and other less desirable traits (Brown, 2000). For both men and women, a firm handshake can create a favorable first impression. At the same time, always be aware of the potential that the other person has arthritis or another condition which would make a firm grip painful.

Space

Space, or physical distance, sends powerful signals. Substantial evidence suggests that the concepts of personal space vary widely by culture. In the United States, maintaining physical distance creates a certain level of comfort. Someone who feels that his or her personal space has been invaded quickly becomes defensive. Table 3.7 indicates the five levels of personal space.

| Table 3.7: Levels of personal space | | |
|-------------------------------------|-------------------|---|
| Level | Distance | Communication |
| Public | 12–15 feet | To feel protected |
| | | Eye contact may or may not take place |
| | | Able to move freely past the person |
| Social | 3–12 feet | Making eye contact, shaking hands |
| | | Casual conversations |
| Formal Business | 7–12 feet | Greater distance implies social power |
| | | Distance from visitor chair to CEO chair in an office |
| Personal | 18 inches–4 feet | People are able to touch each other |
| | | Expresses closeness “at an arm’s length” |
| | | For friends and family members |
| | | Not appropriate for business |
| Intimate | 18 inches or less | Expresses closeness and affection |
| | | Uncomfortable when forced upon a person |
| | | (Elevators, subway cars, airline seats) |

Source: Hall, E. T. (1982). *The Hidden Dimension*. New York: Doubleday.

Violating personal space, or “getting in someone’s face,” indicates aggression and often accompanies an argument or more violent interaction. Effective communicators are always aware of the proper distance.

Paralanguage

Paralanguage refers to how something is said rather than what is said in a message. Key elements include tone, phrasing, pacing, pitch, and intensity (Knapp & Hall, 1992). Paralanguage changes messages from surprised to sarcastic, such as, “Oh really?” Pacing indicates when a person wishes to speak or to stop speaking. Paralanguage conveys urgency, especially through pitch. As a speaker in a conversation, awareness of how you are delivering a message plays an important role. The wrong paralanguage disputes the words that you say.

Time

Time contains two elements: punctuality and promptness, and the pace of life, including business transactions. In terms of punctuality, in North America, a strong emphasis on being early or on time exists. Failure to arrive on time signals either irresponsibility



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Factors including time, distance, kinesic cues, and paralanguage affect individual conversations.

or disrespect of the person you have inconvenienced by being late. In many other cultures, being late may be fashionable or is at least to be expected. Knowing the arrival habits of business partners constitutes an adjustment for many persons engaged in international commerce.

The pace of life determines the use of time. In cultures where time takes on the characteristics of a commodity, such as in the phrase, "time is money," it is not to be wasted. Saving time constitutes a virtue. Other cultures view time in different ways, seeing it as polychronic, with many types of time and many uses of time (Hall, 1989).

To be on the safe side, your best bet in the United States is to develop a reputation for being punctual. In the event of an accident or unavoidable delay, contact the person you were to meet and explain in advance why you will be late. Failure to do so may harm the business relationship. Chronic tardiness will likely inhibit your career. Being known as someone who is punctual creates a major career asset.

Manners

Finally, manners represent an under-appreciated aspect of both verbal and nonverbal communication. Cultural norms have shifted over time, and what was considered common courtesy in the past has changed today. At the same time, you can gain a career advantage by demonstrating good manners. Some examples include:

- Opening the door for others, regardless of gender, with a pleasant greeting.
- Avoiding the use of profanity in formal business relationships, even when those around you curse.
- Keeping your mouth closed while chewing food; not talking with food in your mouth.
- Letting others finish their sentences without interrupting.
- Generous use of "please" and "thank you."
- Generous use of compliments for work, effort, and cooperation rather than remarks about appearance.

In summary, nonverbal cues dictate a great deal of what we communicate and how we communicate. Taking the time to understand the effective use of nonverbal communication, including appearance, dress, artifacts, touch, space, paralanguage, time, and manners, helps you become a more effective businessperson.

For Review

What are kinesic cues?

In addition to kinesic cues, what are other forms of nonverbal communication?

What is paralanguage?

3.6 Chapter Review

This chapter explores the process of creating managerial messages through verbal and nonverbal channels. The management communication process consists of four activities, which are to assess the communication environment, establish a message format, develop the message, and authenticate the approach.

Proactive messages announce a change, initiative, innovation, or some other new course or direction. They proclaim the company will move into a new territory or use a new method. Reactive messages are responses to circumstances, such as a crisis, problem, or event. Analyzing the situation consists of the evaluation of all Ws and Hs associated with the message.

In the case of both organizational structure and communication systems, certain identifiable patterns emerge. Four of the more common in business settings include the chain, wheel, circle, and all-channel patterns. The chain approach to management communication parallels the term “chain of command” or “hierarchy of authority.” In a wheel arrangement, a manager or supervisor becomes the center of the wheel, with individual spokes, or communication channels, connecting the manager to subordinates. A circle resembles the wheel approach, only without the central hub. In an all-channel communication arrangement, messages move freely across organizational ranks and members of a team, group, or department.

Formal communication consists of information that travels through organizationally designated channels. The most common types of messages transmitted via formal channels include: job instructions, job rationale, standardized information, team and group coordination, questions and answers, decisions and plans, and ideological indoctrination.

Information richness is the potential information carrying capacity of a communication channel. Rich communication means the channel provides opportunities for feedback, a full range of visual and audio communication, and it presents the opportunity to personalize a message. A lean channel offers no venue for feedback, is impersonal, and only a limited amount of information can be transmitted.

Beyond face-to-face interactions, the other formal verbal communication channels currently utilized on a daily basis by managers and employees are telephone/mobile phone, videoconferencing, social media, conference calls, meetings, and presentations. Verbal, nonvirtual face-to-face interactions include formal, in-person conversations and informal, casual conversations.

Informal communication emerges in everyday life in organizations. Other names for informal communication include gossip, rumors, the grapevine, and scuttlebutt. Four key elements should be considered when thinking about gossip: it travels quickly, it contains information and misinformation, it is tuned to employee needs, and it creates social power. Managers should understand the channel, tap in, use it to transmit messages, and deal with false rumors. Many times there are negative consequences to informal rumors. Successful managers effectively merge formal and informal communication. Effective employees understand and avoid the negative potential effects of informal communication.

In interpersonal communication, nonverbal cues complement and complete every message. Among the more notable forms of nonverbal communication are kinesic cues, appearance, dress, artifacts, touch, space, paralanguage, time, and manners. Kinesic cues are messages communicated by nonlinguistic body language or movements. Paralanguage refers to how something is said rather than what is said in a message, including tone, phrasing, pacing, pitch, and intensity. Effective interpersonal and formal communicators are aware of the messages they transmit through nonverbal cues.

Key Terms

centralization A form of organizational structure in which a low degree of delegation of decision-making, authority, and power takes place.

decentralization An organizational operation characterized by substantial delegation of authority.

formal communication Consists of information that travels through organizationally designated channels.

informal communication Information that does not flow through authorized organizational communication channels and is dedicated to topics that do not serve the organization's interests.

information richness The potential information carrying capacity of a communication channel.

kinesic cues Messages communicated by non-linguistic body language or movements.

mechanistic An approach to organizational structure largely driven by rules, procedures, titles that indicate organizational status, and formal relationships between employees.

organic An approach to communication structure, with few rules, little attention paid to titles and ranks, and a strong emphasis on organizational flexibility and adaptability.

paralanguage Refers to how something is said rather than what is said in a message, using the elements of tone, phrasing, pacing, pitch, and intensity.

proactive messages Messages that announce a change, initiative, innovation, or some other new course or direction.

reactive messages Responses to circumstances, such as a crisis, problem, or event.

standard presentation format A message presentation method consisting of introduction and forecast, a body, and a conclusion.

unfolding presentation format A message presentation method in which one argument leads to the next and finally to a conclusion, often used in persuasion.

For Review With Possible Responses

1. What are the four steps involved in the management communication process?
The steps are assess the communication environment, establish a message format, develop the message, and authenticate the approach.
2. Explain the natures of proactive and reactive managerial communications.
Proactive messages announce a change, initiative, innovation, or some other new course or direction. They proclaim the company will move into a new territory or use a new method. Reactive messages respond to circumstances, such as a crisis, problem, or event.
3. When designing formal communication messages, what two presentation formats may be used?
The standard presentation format and the unfolding presentation format.
4. What four primary patterns do formal managerial communications exhibit?
The chain, wheel, circle, and all-channel patterns.
5. What types of messages are delivered through formal communication systems?
Among the most common types of messages transmitted via formal channels are job instructions, job rationale, standardized information, team and group coordination, questions and answers, decisions and plans, and ideological indoctrination.
6. Explain the concept of information richness in terms of rich and lean channels.
Information richness is the potential information carrying capacity of a communication channel. Rich communication means the channel provides opportunities for feedback, a full range of visual and audio communication, and it presents the opportunity to personalize a message. A lean channel offers no venue for feedback, is impersonal, and only a limited amount of information can be transmitted.
7. What steps should managers follow when setting up formal face-to-face conversations?
From a manager's perspective a well-planned formal meeting includes the elements of advance notification, including a least some idea about the purpose of the meeting; finding the proper setting; attention to the meeting opening; consideration about how the message will be presented, and the manner to close the meeting.
8. In addition to face-to-face conversations, managers and employees use what other formal verbal communication channels?
The other formal verbal communication channels currently utilized on a daily basis by managers and employees are telephone/mobile phone, videoconferencing, social media such as LinkedIn and Google Plus, conference calls, meetings, and presentations.
9. What should a manager do with regard to informal communication?
It will be your job to try to manage the informal communication channel. Doing so involves four activities: understand how it works, tap in, use it to transmit messages, and deal with false rumors.
10. What should a manager understand about informal communication or rumors?
Rumors travel quickly, contain both information and misinformation, they are tuned to employee needs, and they create social power.
11. What four kinds of social power can be generated by gossip?
Positive gossip, or saying favorable things about other people, generates reward power. Negative gossip creates coercive power, based on the ability to punish. Gossip influences referent power, or power based on social status and likability. Gossip may increase a person's expert power, or influence gained by having knowledge and expertise.

12. What are kinesic cues?
Kinesic cues are messages communicated by nonlinguistic body language or movements.
13. In addition to kinesic cues, what other forms of nonverbal communication occur?
Among the more notable forms of nonverbal communication that are beyond kinesic cues are appearance, dress, artifacts, touch, space, paralanguage, time, and manners.
14. What is paralanguage?
Paralanguage refers to how something is said rather than what is said in a message. Key elements include tone, phrasing, pacing, pitch, and intensity.

Analytical Exercises

1. Conduct a Who, What, When, Where, Why, and How analysis for the following announcements and indicate whether the message will use a proactive or reactive format.
 - a. a new CEO for the company
 - b. termination of a key employee
 - c. the acquisition of another company
 - d. entry into a foreign market
2. Explain why each of these organizations or departments would best be served by a chain, wheel, circle, or all-channel communication pattern.
 - a. manufacturers of tin cans for food companies
 - b. television news room anchor/editor and reporters
 - c. insurance company claims office and field claims adjusters
 - d. accounting department preparing sales reports for three product divisions
3. Four methods of conveying messages to individual employees include tell, sell, consult, and joining. Explain which would be most useful in a performance appraisal meeting with an individual worker? Would your answer be different for a poor performer as opposed to a high performer? Defend your answer.
4. Explain appropriate and dysfunctional uses of the nonverbal forms of communication in the following settings.
 - a. Teamsters unloading trucks
 - b. Bank tellers serving customers
 - c. College seniors or recent MBA graduates attending job fairs and on-site interviews
 - d. An executive meeting with a new Japanese business partner for the first time
5. Explain the level of information richness in the following formal verbal communication channels. Provide specific examples of what makes the channel richer or leaner.
 - a. face-to-face
 - b. telephone
 - c. videoconference
 - d. meeting
 - e. presentation
6. As a manager, explain how you would cope with the following false rumors.
 - a. Everyone assumes your pay is \$10,000 per year higher than it really is, but the company insists on a closed pay system.
 - b. The company plans to lay off 10 percent of the work force.
 - c. Susan and Lisa have become lovers.
 - d. The new CEO will be Juan Salas.

3.7 Case Studies

Case Study 1: “I have good news . . . and bad news.”

Richard Oglethorpe faced one of the most difficult days in his working life. While he had saved his grandfather’s company from bankruptcy, the rescue came at a high price. Richard’s next task would be to inform the members of the firm about the action he had taken.

Melton Oglethorpe founded Dixieland Metal Castings during the buildup to World War II. The nation was emerging from the Great Depression, and orders for fabricated metals had begun to rise. The onset of the war brought several major contracts to the company.

In the postwar era, Dixieland continued to thrive due to the many connections Melton Oglethorpe had made with industrialists. He also forged powerful connections with employees. Although the plant was in a heavily unionized part of Alabama, his workers resisted efforts to organize. They were being paid comparable wages to union factories, enjoyed generous benefit packages, and were treated with respect by members of the management team.

When Melton stepped down in the late 1960s, his son Hugh took the reigns as CEO. The company continued its many positive human resource practices and developed new relationships with newly formed manufacturing companies. Hugh suffered a major heart attack in 1985, and Richard stepped in.

The next two decades became increasingly difficult because of the pressures from foreign competitors. Losing business and faced with higher labor costs, Dixieland began to struggle. By mid-2010, the handwriting was on the wall: The company could not compete without outsourcing at least some of its operations, and an infusion of cash was needed. Richard finalized a deal with a well-respected firm from India to keep the company afloat.

The terms of the agreement were that about one-third of the work force was to be let go, replaced by international suppliers with much lower costs. The remaining workers would all retain their jobs, pay, and most of their benefits. The one concession on benefits was that each would now contribute a great portion of the cost of health insurance. In exchange, Richard developed a guarantee that each employee would be able to stay with the company until quitting or retiring. At that point, however, there was no assurance that a replacement from the Alabama plant or the United States would be hired.

Richard knew it was the best he could negotiate. He worried that the layoffs would lead to intense new efforts to unionize the plant. Worst of all, he recognized that many workers, whose parents had been with the company, would not see their sons or daughters have the chance to work for his grandfather’s dream: Dixieland Metal Castings.

Review Questions

1. What channel of formal communication should Richard Oglethorpe use to inform the employees of this deal?
2. When Richard makes the announcement, should it be an informative or a persuasive presentation? Why?
3. Should Richard have face-to-face meetings with individual employees who are to be let go? With employees who will remain? How should he prepare for those meetings?
4. What types of informal communication do you expect will circulate through Dixieland Metal Castings? What should managers do about these rumors?

Case Study 2: Where the Truth Ends, Rumors Begin

Alicia Reed was stunned. At the end of what she thought was going to be a career-enhancing presentation to the CEO and top management team, a question from one of the members stopped her in her tracks. Alicia was one of three buyers for Simply Gorgeous, a high-end fashion store that catered to clients with extreme wealth. The retailer operated locations in Dallas, Texas; Miami, Florida; and Minneapolis, Minnesota.

A shopping experience at Simply Gorgeous involves being pampered by a team of sales personnel focused on taking care of every detail. Small treats are served with special teas and other drinks, as customers examine formal and cocktail dresses, and other fashions for major social events. Salespeople are expected to model outfits when asked.

Alicia's role included attending fashion shows in the world's design capitals, among them Paris, New York, and occasionally Los Angeles. She loved the travel and the excitement associated with the work. As a younger, African American woman, she was exploring territory that once seemed impossible to reach.

Alicia's second passion was reading. She could often be found after work at a local bookstore, examining new books and fashion magazines. In the bookstore, she had a brainstorm about her increasing frustration with the mainstream fashion design industry. She and others in the company believed the dresses were too outlandish and had become too expensive, even for wealthy patrons. The number of complaints about choices available at Simply Gorgeous had risen to an alarming rate.

After considerable investigation, Alicia concluded that there were a sufficient number of "secondary" fashion shows, with talented designers representing a broad range of ethnic backgrounds, where new and exciting formalwear was available that would appeal to both the "old rich" and first-generation wealthy customers. She spent hours developing a presentation for a meeting with the top management team, complete with high-definition visuals, models wearing fashions, numbers, prices, statistics, and a pleasant musical background. Her goal was to expand the company's customer base while creating new purchasing options for ongoing clientele.

The critical moment occurred just 10 days prior to the presentation. While visiting her favorite bookstore, Alicia was greeted by a college friend, who also worked in the fashion design and purchase industry. The friend was accompanied by a third person, Marjorie Watson, who introduced herself as the chief merchandising officer for a major retail clothing chain. The three enjoyed an amicable conversation lasting about 45 minutes. At the end of the visit, Watson handed Alicia her business card, with the comment, "I know you have a great future ahead of you. If you're ever interested in moving to a larger company, please contact me." Alicia couldn't remember her exact response, but knew she responded by saying she was very happy with her current position. What she did not know was that two salespeople from Simply Gorgeous had witnessed the entire event from a distance of about 40 feet, close enough to see but not enough to hear clearly.

After carefully practicing her presentation for hours, the time arrived. It went flawlessly, with all musical and visual cues arriving at the precise moments they were scheduled. At the end, Alicia asked the management team if they had any questions.

"I understand that you have been talking to another company about maybe moving on," said a stern manager. "Who would champion this idea if you are working for a competitor?"

"I don't understand. What are you talking about?" Alicia responded.

"It's all over the company," the manager replied.

Clearly, this was not the type of question she expected. *(continued)*

Case Study 2: Where the Truth Ends, Rumors Begin (*continued*)

Review Questions

1. Were the actions of the two salespeople that saw the encounter between Alicia and Marjorie Watson ethical? What could they have done differently?
2. If Alicia's manager had heard this rumor, what should that manager have done in response?
3. How should Alicia respond to the management team?
4. Do you think her career has been harmed? If so, how, and what could she do to repair the damage?